

False Economy: She Gets the Cash

The Associated Press
CHICAGO — Talk about economic genius worthy of a Nobel prize. When Rita Lucas got divorced seven years ago, she asked her lawyer to add one tiny clause to the property settlement: "Wife shall receive 50 percent of any Nobel prize." The clause even had an expiration date: Oct. 31, 1995. Her prescience paid off: Her former husband, the University of Chicago economist Robert E. Lucas, was awarded the Nobel Memorial Prize in Eco-

nomics Science this month, with only weeks to go before the clause would have expired. The prize is worth \$1 million. Ms. Lucas's request for the settlement clause wasn't entirely fanciful. Eight University of Chicago professors have been awarded the economics prize and Mr. Lucas was the fifth to be honored in the last six years. And Mr. Lucas was gracious. "A deal is a deal," he said. "It's hard to be unpleasant after winning a prize like that."

Prosecutors Go After Top Daiwa Executives

U.S. Attorney's Office Following Paper Trail on Huge Trading Loss

By Lawrence Malkin
International Herald Tribune

NEW YORK — U.S. investigators are pushing ahead to determine whether they can prosecute top executives of Daiwa Bank for helping conceal the billion-dollar losses of a Daiwa bond trader in New York.

Armed with a confession from the trader himself, the U.S. Attorney's office said that "the investigation is continuing" into the scandal arising from an initial \$500,000 trading loss by Yoshihide Iguchi back in 1983 that over the years snowballed into a \$1.1 billion combination of embezzlement and money laundering as he sought to cover his tracks.

In Tokyo, Daiwa acknowledged Friday that it had ordered the trader to continue his loss-making activities but denied that it had staged a cover-up.

The admission came a day after Mr. Iguchi told a judge as he pleaded guilty in federal court in Manhattan that he had agreed to cooperate with federal prosecutors in the case.

In court documents unsealed Thursday, Mr. Iguchi said that on July 28 he showed his false bond statements to two senior Daiwa managers, one from Japan and one based in New York. The latter accused the managers of urging him to continue covering up his losses, which he did until the scandal became public Sept. 25.

Mr. Iguchi did not publicly identify the managers, but he did say he had also confessed in a letter to the president of the Osaka-based bank, Akira Fujita, and urged him to shift the losses to a Daiwa branch outside the United States and thus escape detection here.

A spokesman for U.S. Attorney Mary Jo White, whose New York office has a tradition of vigorous pursuit of white-collar crime, declined to say Friday how high the investigation would go.

Other officials following the case said that when the Japanese bank filed its regular report to the Federal Reserve Bank of New York on July 31 — three days after the date Mr. Iguchi said he had confessed to his superiors — the document indicated that nothing was amiss in Daiwa's New York

office. It said Daiwa New York still held \$600 million in Treasury bonds, although it is now clear that the bank knew the bonds had been sold in cover losses.

The Ministry of Finance in Tokyo apparently condoned Daiwa's neglect in not notifying U.S. authorities, which has angered the Federal Reserve, dismayed the foreign banking community in New York and provoked an expression of "deep concern" by Senator Alfonse M. D'Amato, the New York Republican who heads the Banking Committee. In a letter to Chairman Alan Greenspan of the Fed, the senator accused the central bank of dilatory supervision.

A Daiwa spokesman in Osaka explained credit ratings of three big Japanese banks are just above junk-bond status. Page 9.

The bank's moves as aimed at getting further information from Mr. Iguchi.

"We feared Iguchi might commit suicide or run away," he said Friday. "So we allowed him to continue selling U.S. securities two or three times up until September, to meet interest payments due. We wanted him to be cooperative as we verified the 30,000 unauthorized trades he made over the prior 11 years."

But in the court papers, Mr. Iguchi said he was already ready to cooperate. "Personally," he said, "after 11 years of fruitless efforts to recover the money, my life was filled with fear, guilt and deception, and I saw no one coming to stop this. I have to do it myself."

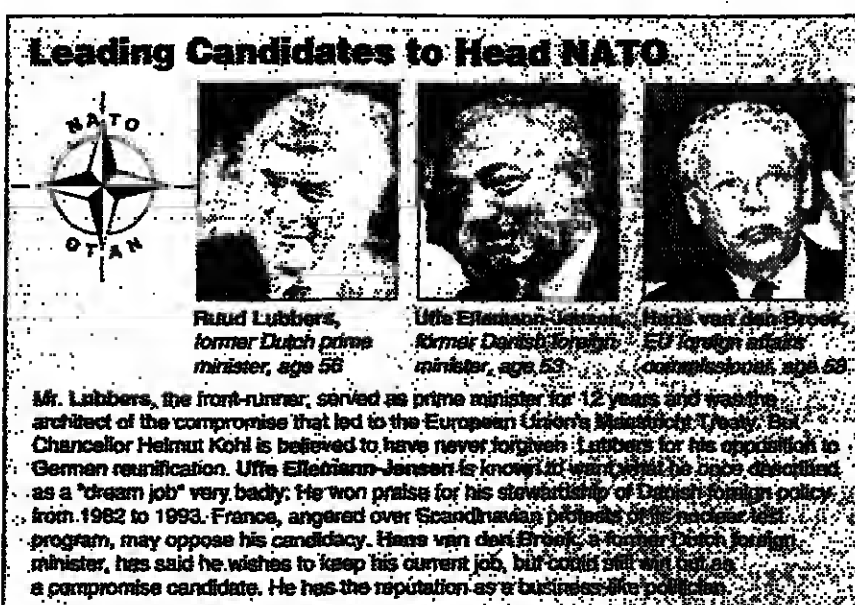
At the current stage of the investigation, officials said, the only clear evidence of conspiracy is the confession by the 44-year-old senior vice president that implicates the two superiors.

Mr. Iguchi said one of the superiors told him to continue covering up his losses and the other "gave me the impression" that the bank planned to announce the shortfall in November.

But the trader's confession alone would be insufficient to convict higher-ranking officials of fraud and falsifying records.

An investigation of Daiwa's written reports is continuing. Meanwhile, Mr. Iguchi remains in jail without bail.

Deeply Bitter, Claes Succumbs to Belgian Scandal



Source: Reuters

NATO Launches Intensive Search For a New Chief

By Tom Buerkle
International Herald Tribune

BRUSSELS — The 16 countries of NATO launched intensive consultations to find a new secretary-general after Willy Claes resigned, but officials said the search could take weeks because of a lack of consensus on the three leading candidates.

The Danish government formally proposed Uffe Ellemann-Jensen, a former foreign minister and currently head of the opposition Liberal Party, while the Netherlands kept two candidates alive.

Foreign Minister Hans van Mierlo said the Dutch government favored Ruud Lubbers, the former prime minister, but he declined to rule out Hans van den Broek, the former Dutch foreign minister now serving as the European Union's commissioner for foreign affairs.

Each of the candidates faced potentially serious opposition from some NATO capitals, however. And alliance officials expressed disappointment that the two men who would likely command a quick consensus — Defense Minister Volker Rühe of Germany and former Foreign Minister Douglas Hurd of Britain — had ruled themselves out of contention.

As a result, officials indicated it was likely to take some weeks to find a successor, increasing the prospects that a dark horse could emerge.

"NATO shouldn't hasten its choice," Mr. van Mierlo said.

Bjorn Tore Godal, the Norwegian foreign minister, said it could take the alliance a few weeks to agree on a replacement.

The United States indicated that it was not worried about the leadership question.

Defense Secretary William J. Perry praised Mr. Claes for having done "an outstanding job" over the past year, but he said the gap at the top would not affect planning for a NATO force to police a peace agreement in the former Yugoslavia.

"The military planning, the military leadership will not be affected by this," he said.

In announcing his resignation, Mr. Claes thanked his colleagues and claimed significant achievements since he was appointed secretary-general last year. He cited NATO's bombing campaign in Bosnia, closer cooperation with East European countries, progress on eventual expansion of the alliance and the start of a new relationship with Russia.

But he expressed deep bitterness at the process that led the Belgian Parliament to lift his immunity on Thursday and send him to the country's highest court for prosecution on corruption charges regarding alleged bribes by defense contractors.

He criticized constitutional procedures that allowed Parliament to indict him before investigators had concluded their inquiries; assaulted former colleagues in Parliament for voting along party lines, a clear criticism of the Flemish Christian Democratic Party of Prime Minister Jean-Luc Dehaene; and blamed the Belgian press for waging a campaign to bring him down.

"I am convinced I have been unjustly treated," he said.

Mr. Claes is accused of having committed corruption, fraud and forgery in connection with payments made by two defense companies — Italy's Agusta and France's

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A Gene Therapy Success Story

2 Healthy Girls No Longer Fear Sudden Death

By Rick Weiss
Washington Post Service

WASHINGTON — Five years after scientists made medical history by giving two seriously ill children the immune-system genes they had lacked from birth, the girls are healthy and thriving, according to the first published summary of the experimental treatment.

The long-awaited report describes two unrelated Ohio girls, now aged 9 and 14, who spent their first few years constantly sick with an inherited immune-system ailment and who today play volleyball, keep pets and go to school without fear of suddenly dying from a minor infection. Sci-

entists said the results offered the best evidence yet of the potential of "gene therapy," a technique in which doctors give patients healthy genes to replace the defective ones inherited from their parents or to enhance the action of genes they already have.

"I couldn't have wished for a nicer outcome," said R. Michael Blase of the National Center for Human Genome Research, a senior author on the landmark paper that appeared in Friday's issue of the journal Science.

Enthusiasm was tempered, however, because it remains unclear how much of the

See GENE, Page 4

Slippery Dealings in the U.S.- Europe Banana War?

By Paul Blustein
and Thomas W. Lippman
Washington Post Service

Yes, we have no bananas growing in the United States — hardly any to speak of, anyway. And yes, we have no bananas growing in Europe, either.

But somehow, we have a banana war, in which leading politicians in the United States and the European Union are wrangling over who should dominate the banana trade.

At the center of the dispute is Carl Lindner, a multimillionaire who is a major campaign contributor to both Democrats and Republicans and who controls the world's

largest banana company, Chiquita Brands International.

At Mr. Lindner's prodding, the U.S. trade representative, Mickey Kantor, and the Senate majority leader, Bob Dole, Republican of Kansas, have launched administrative and legislative attacks on the European Union and a handful of Latin American countries allied with it. They claim the EU rigs its lucrative banana market in a way that has slashed Chiquita's sales in Europe while boosting banana imports from other, favored sources.

The European plan, in essence, allows banana imports from former colonies and from a few countries that agreed to negotiate quotas with the Union, including Colombia and Costa Rica, while restricting bananas from countries

such as Honduras, a major source for Chiquita.

It is not a pretty spat. Both Washington and Brussels are drawing harsh criticism from economists for allowing domestic politics to taint their trade policies even more than usual. Caught in the crossfire are banana-producing nations in tropical regions that face the prospect of devastating losses of export revenue.

Colombia's president, Ernesto Samper, complained in a letter to President Bill Clinton this week that an effort by Mr. Dole to restrict Colombian agricultural exports to the United States would undermine Colombia's efforts to

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Agriculture Deadlock Threatens Asian Trade Summit

By Michael Richardson
International Herald Tribune

SINGAPORE — The United States and other countries that are pressing for greater access in East Asian markets have warned Japan that its continued refusal to accept free trade in agriculture could derail APEC, the Asia Pacific Economic Cooperation forum.

Trade officials said Friday that Tokyo was also being warned in private meetings that a breakdown of the economic forum's plan to achieve free trade and investment in the region would strengthen protectionist forces in the United States, raising the risk of tariff

reprisals against Japan, China and other East Asian countries in their largest and most important market.

A senior American official said that the inclusion of agriculture in the Asia-Pacific free trade deal was "absolutely a bottom-line issue" for the United States as a leading agricultural exporter.

Alluding to the high priority that Washington attached to farm trade reform in Europe and elsewhere, the official said that the way APEC handled agriculture would influence "what we do in the larger World Trade Organization and how we address the European agricultural problem."

Less than a month before the leaders of the 18 APEC

countries meet in Osaka, a deadlock over whether members of the group should be able to exclude certain highly protected sectors of their economies, especially agriculture, from the free trade plan shows no sign of being broken.

"The APEC summit at this moment is in big trouble," Fred Bergsten, chairman of APEC's "wise person" group of advisers, said in Tokyo. Bloomberg Business News reported Friday.

At the final scheduled meeting in Tokyo last week to prepare for the APEC summit on Nov. 19, Japan, China,

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At UN's 50th, Windy Heads of State Lead List of Protocol Pitfalls

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — They love this kind of thing here. Kings? Presidents? Send 'em in. The brass is polished, the carpets swept, the dark suits pressed. The task force is in its command center, armed with a protocol schedule worked out to the minute and primed for the din of clashing egos.

"Even some of them from the little countries think they are pretty important," a European diplomat said. "They all bring this power culture with them."

Diogo Freitas do Amaral, the Portuguese politician who will preside over three days of speeches by about 200 world leaders celebrating the 50th birthday of the United Nations, starting Sunday, said: "There will not be another occasion like it until the UN has its 100th anniversary. It is really a unique occasion for which there are no precedents."

For the historic group picture to be taken Sunday morning before the speeches begin, there was a debate over whether the leaders would sit or stand. Diplomats wanted chairs for their leaders, perhaps to make everyone the same size. UN officials (and

experts from Kodak who are providing cameras to capture the moment) said no.

A week ago, 150 employees rehearsed the shot — standing up — just to be sure. The United Nations instinctively recoils from the thought of anything left to chance.

When an official was asked what would happen if a tall head of state stood in front of a small head of state, he replied without missing a beat: "There is no such thing as a small head of state."

The biggest challenge to the timetable will come in an area where protocol officers fear to tread: at the

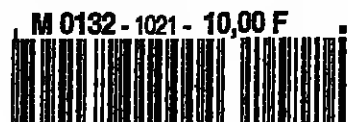
podium. Each leader has been given exactly five minutes to speak from a platform where speeches have been known to go on for hours.

Three little lights have been installed — "traffic lights," the assembly president calls them — that turn from green to yellow at four and a half minutes and to red at five. If an orator takes off into somebody else's time, Mr. Freitas do Amaral says he has written himself "a formula for intervention" in several languages that will ask the offender politely but firmly to

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Newsstand Prices

Andorra	10.00 FF	Luxembourg	65 L Fr
Antilles	12.50 FF	Morocco	14 Dh
Cameroon	1,800 CFA	Qatar	1,000 Riels
Egypt	E.P. 5000	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R
Gabon	1,100 CFA	Senegal	1,100 CFA
Greece	350 Dr	Spain	225 Ptas
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	Turkey	L. 65,000
Jordan	1,250 JD	U.A.E.	10.00 Dirh
Lebanon	US\$ 1.50	U.S. Mil. (Eur.)	\$1.20



هكزا من الاصل

Risks and Rewards in the Brave New World of Health Care

By Robert Pear
New York Times Service

WASHINGTON — The Medicare bill adopted by the House of Representatives would propel elderly people into a new world, full of promise and some peril, where competitive forces are buffeting doctors, hospitals and the rest of the health care industry.

Medicare, financed jointly by the federal government and the states, provides health insurance for the elderly and the disabled. For better or worse, Medicare is catching up with the private health care market. Even if President Bill Clinton vetoes the bill, as he has threatened to do, it signals the

direction in which health policy and the health care system in the United States are already evolving.

The Senate Finance Committee has approved legislation like the bill passed Thursday by the House. What follows is a summary of the bill's likely effects on Medicare patients and various segments of the health care industry:

• **Beneficiaries:** Under the Republican proposal, Medicare beneficiaries could enter a fiercely competitive medical marketplace. Those who join health maintenance organizations would probably have less choice of doctors and hospitals, but they could perhaps obtain coverage for prescription drugs, preventive services, eye-

glasses and other items not now covered by the standard Medicare program.

Healthy Medicare beneficiaries are presumably more likely to enroll in health maintenance organizations, or HMOs. But sick people may also find them attractive because they put a firm limit on the costs for which patients are responsible.

The risk, repeatedly emphasized by Democrats, is that Medicare payments will not keep up with health costs, so the purchasing power of Medicare benefits will be eroded.

• **Doctors:** In the past, when Medicare cut payments to doctors, there was always concern that doctors

would shun Medicare patients in favor of those with private insurance, which paid higher fees for the same services. But the private market has become less lucrative and satisfying for doctors, whose clinical decisions and fees are continually scrutinized by insurance companies and private health plans.

The House and Senate Medicare bills would cut payments for surgery by 10 percent next year as part of an effort to save more than \$22 billion in Medicare spending on doctors' services over seven years. Stephanie Menash, director of health policy at the American Urological Association, said: "Many of our members have no choice but to take Medicare patients."

• **Hospitals:** Some hospitals will probably close if the government cuts projected spending on Medicare and Medicaid, the program for low-income people. Hospitals in rural areas and inner-city neighborhoods are particularly vulnerable because the two programs account for more than half the revenue at many such hospitals.

• **HMOs:** About three million Medicare beneficiaries are in HMOs. The Congressional Budget Office estimates that 8.5 million will be enrolled in 2002 under the Republican proposals. But the plans would impose strict limits on the annual growth in per capita payments to HMOs treating Medicare patients.

AMERICAN TOPICS

Kansas Ranks Last In Vacation Survey

Kansas ranks last of the 50 states as a vacation destination, according to Vacation Places Rated, just published by Fielding Worldwide of Redondo Beach, California. Hawaii ranked first, followed by Alaska and Colorado.

"I think it's very unfair," said Neva Perry of the Kansas state tourist information center. "We have a tremendous amount of history, and there are so many things of interest in Kansas."

Other states ranking near the bottom were North Dakota, Oklahoma, Iowa, Indiana, Nebraska, Ohio, Mississippi, Delaware and Alabama.

Matt Brisch, a spokesman for the state commerce department, said, "People are taking this seriously. And I kind of want to say: Come on, let's not panic here. We're Kansas."

Mr. Brisch said Kansas has one of the smallest state tourism budgets: \$230,000, compared to \$16 million for Hawaii.

Short Takes

More women are entering seafaring at a time when it is declining as a whole. The U.S. merchant marine has fallen from more than 1,000 ships at the end of World War II to about 400 now. Com-

petition is one main reason. But growing numbers of women are earning their stripes in the seven maritime academies from Maine to California. At Kings Point Maritime Academy on Long Island, which graduated its first women in 1978, 21 of this year's 219 graduates were women. This year's freshman class includes 30 women.

Call it Christmas in autumn: Alaskans have been notified that all 542,000 of them — men, women and children — will receive \$990 each this year as their dividend from the Alaska Permanent Fund, a hedge against the time when the state's oil wealth peters out.

Since the first deposit of \$734,000 in oil revenues in 1977, the fund has grown to an \$18 billion portfolio of stocks, bonds and real estate, conservatively invested to protect the principal but still grow to keep pace with inflation.

In a perfect shuffle, the cards in half of a deck held in the left hand are alternated one by one with those in the right. It is far from the perfect way to get cards in random order for a card game, however. Professor Persi Diaconis, a Harvard University statistician, derived a mathematical proof that after eight perfect shuffles, the cards are back in their original order. Fortunately for the average bridge or poker player, a perfect shuffle can be done consistently only by a sleight-of-hand artist.

International Herald Tribune

Captain Cleared of Sexual Harassment

New York Times Service

WASHINGTON — The U.S. Navy's former top equal-opportunity officer, who was named to be an admiral and led his service's effort to fight sexual harassment after the Tailhook scandal, has been acquitted of sexually harassing a woman who worked for him.

The verdict, issued Thursday by an eight-officer navy tribunal, cleared Captain Everett L. Greene, 47, a Naval Academy graduate.

The case of Captain Greene, who is black and whose accuser is white, has

become a lightning rod for critics who contend the navy turned a blind eye to the seriousness of his conduct to advance the goal of promoting more minority officers into senior ranks. Only five of the navy's 220 admirals on active duty are black.

Advocates of women's rights rallied around the case as a test of the navy's new resolve to quell sexual harassment in any form.

The seven-day trial at the Washington Navy Yard hinged on whether Captain Greene, a married father of three, broke navy rules by writing sexually suggestive

poems and cards and giving little presents — such as a bag of chewing gum and an old pair of men's running shorts — to his aide, Lieutenant Mary Felix, who is 28.

He acknowledged writing to Lieutenant Felix over a 10-month period in 1993, during which she answered a sexual harassment hotline at the Bureau of Naval Personnel in a Pentagon annex.

But he insisted that he never did anything wrong and that Lieutenant Felix, who was coping with physical and personal problems, had grossly misconstrued his fatherly concern.

Federal Agency Opens Inquiry Into L.A. Police

Washington Post Service

WASHINGTON — Sparked by charges of police misconduct that surfaced in the O.J. Simpson murder trial, the Justice Department has begun examining the Los Angeles Police Department to determine whether there is a pattern of civil rights abuses by officers in one of the nation's largest law enforcement agencies.

The Justice Department's civil rights division is in the early stages of an investigation that will seek to determine whether alleged abuses by police officers in Los Angeles, including excessive force, is a systemic problem, sources said.

The investigation began after racist comments by a former detective, Mark Fuhrman, and after allegations of fabricated evidence became a focal point of Mr. Simpson's defense.

Black Men's March: Still Counting

Washington Post Service

WASHINGTON — A Boston University scientist has added to the controversy over the turnout at the "Million Man March" in Washington, saying his analysis showed that the crowd was more than twice the 400,000 people estimated by the National Park Service.

A computer-aided study by Farouk el Baz, director of the

school's Center for Remote Sensing and an authority on aerial reconnaissance, concluded that 870,000 people attended the black men's rally Monday.

The study involved computer image analysis of aerial photographs obtained from the Park Service. It has a margin of error of about 25 percent, largely because of the poor quality of the photographs. This means the

crowd could have been as small as 650,000 or as large as 1.1 million, Mr. el Baz said.

A U.S. Park Police spokesman said Thursday that the agency did not have the money for sophisticated computer analysis, but that it stood by its estimate, obtained by examining photographs made from videotape taken from a helicopter three times during the march.

Away From Politics

• After six delays, the space shuttle Columbia and its crew shot into orbit at Cape Canaveral, Florida, on a science mission that will foreshadow life on NASA's planned international space station. (AP)

• Thirty-three guards and an inmate came down with a mysterious ailment at a state prison for serious offenders in Mayo, Florida, and investigators focused on the mail room and a leaking package. (AP)

• Inmates, some with baseball bats, fought with guards, broke windows and set fire to

three prison buildings in Talladega, Alabama, in a riot that started as a quarrel in a prison yard. (AP)

• Mickey Wayne Davidson, the admitted murderer of his wife and two stepdaughters, was executed by lethal injection in Jarratt, Virginia. (Reuters)

• Two Brentwood, Maryland, girls, ages 12 and 14, were in police custody in connection with four armed carjacking incidents in the last few weeks. County police officials said the girls asked elderly women to give them a ride and then threatened the victims — twice with a toy gun and twice with a knife — to force them to turn over their cars. (WP)

POLITICAL NOTES

Senator Clamps Down Yet Again

WASHINGTON — Senator Jesse Helms, chairman of the Senate Foreign Relations Committee, after a brief respite, has again blocked all ambassadorial appointments, saying the Clinton administration has not taken seriously his proposal to reorganize the foreign policy bureaucracy.

Among the nearly 20 nominations that the North Carolina Republican has vowed to block is that of Jim Sasser, the former Democratic senator from Tennessee, as ambassador to China. Mr. Helms will also continue to freeze State Department promotions and block Senate action on more than a dozen treaties.

The administration's reaction was swift. "It's our understanding that the Senate Democrats proposed a strong and genuine effort to reach a compromise settlement with Senator Helms," said Nicholas Burns, the State Department spokesman. "We are disappointed." (NYT)

Clinton Acts Anew on Gay Rights

WASHINGTON — Two years after being politically wounded by the issue of homosexuals in the military, President Bill Clinton has decided to back a bill outlawing job discrimination against homosexuals, according to White House officials.

In a letter sent to Senator Edward M. Kennedy, Democrat of Massachusetts, and a chief sponsor of the anti-discrimination legislation, Mr. Clinton noted that in 41 states it is legal for a person to be dismissed from a job because of sexual orientation.

Gay rights leaders who have been lobbying the White House for Clinton's endorsement of the bill conceded that his backing would have little immediate practical effect, because the Republican Congress is dead against the measure, which would apply to public and private employment. (NYT)

Hollywood Rapped on Drugs

LOS ANGELES — The director of national drug policy criticized Hollywood on Thursday for glorifying drug use in television shows, movies and music marketed to young people.

He urged his audience of about 150 executives of the entertainment industry, at a symposium sponsored by the Screen Actors Guild and other groups, to change things.

"We all know the dangers of some of these messages, and I believe that we can all agree that some changes need to be made," said Lee Brown, Mr. Clinton's drug czar. (NYT)

Paying Bills on Time — at Last

WASHINGTON — That time-honored excuse — the check is in the mail — could take on new, legal significance if Congress passes a law being pushed by a talk radio host and three dozen members of the House.

Their proposal would mandate that the date a bill is postmarked is the date it is considered paid. It is a simple idea that has upset a lot of people, including big credit card companies, department stores and the nation's bankers.

Bills would have to be properly addressed and have adequate postage to qualify under the bill. Stamps — not postage from meters — would be required. The Postal Service has taken no position on the measure. (WP)

Quote/Unquote

Sir Brian Urquhart, who was a senior United Nations official for more than 40 years before his retirement: "I've always thought the UN's relationship with the city was like a long, rather positive marriage. There are tremendous ups and downs, and the partners occasionally get tremendously fed up with each other." (NYT)

SATURDAY 21 OCTOBER AT 19.30 CET v TROJANS
SATURDAY 28 OCTOBER AT 20.30 CET v NORTHWESTERN UNIVERSITY
SATURDAY 4 NOVEMBER AT 19.30 CET v NAVY



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Argentina And Britain Plan Talks In New York

LONDON — The leaders of Britain and Argentina will hold talks next week in the first such meeting since the Falklands War in 1982, a British official said Friday.

Prime Minister John Major of Britain and President Carlos Menem of Argentina will meet Monday in New York on the sidelines of the United Nations' 50th anniversary gathering.

"This is the first formal meeting between them," the official said. "From the British point of view, this follows a process of gradual normalization of relations since diplomatic relations were restored in 1990."

In 1982, Argentina and Britain fought a 10-week war over the Falkland Islands, which Britain recaptured after an Argentine invasion. Argentina still claims sovereignty but Mr. Menem has worked on improving commercial and diplomatic ties with Britain.

The British official said the two men would discuss closer economic ties, but stressed: "Our position on our sovereignty of the islands is absolutely unchanged."

Relations have warmed in recent years, culminating in a signing last month of a long-awaited oil pact that allows for exploration around the disputed South Atlantic islands.

The prospecting and exploitation agreement took three and a half years to seal and was hailed in Buenos Aires as a historic landmark in British-Argentine ties.

The deal allows both countries to charge royalties for oil and gas wealth extracted from the islands — Argentina plans to levy 3 percent and Britain 9 percent — without compromising their sovereignty claims.



TEMPEST ON IVORY COAST — Police arresting a man on the highway from Abidjan to Gagnoa on Friday after opposition politicians barricaded the road to protest presidential elections that are scheduled for Oct. 22.

Stay in Space Extended For Crew of Mir Station

MOSCOW — A German and a Russian spent five hours outside Russia's Mir orbital station Friday as the European Space Agency announced that the three-man crew will stay in orbit for an extra 53 days for more experiments.

The *Inter-Tass* news agency said the space walk by Thomas Reiter of Germany and Sergei Avdeyev of Russia, during which they replaced and installed equipment outside the station, lasted for 5 hours and 16 minutes.

The third crew member — the Russian Yuri Gidzenko — remained inside Mir.

In the middle of their work a European Space Agency official announced at the Russian flight control center near Moscow that the three men would return to Earth almost two months later than planned. The official, Dieter Andersen, said the crew, on Mir since September 3, will come back on Feb. 29 rather than on Jan. 7 as scheduled.

NATO: Search Is Under Way

Continued from Page 1

Dassault — in 1989, when he was the Belgian economics minister. He has consistently denied any wrongdoing, as have officials at the two companies.

The relative lack of urgency about a successor in part reflected confidence in Sergio Balanzino, the NATO deputy secretary-general who will take over the top job temporarily. Mr. Balanzino effectively ran the alliance from January to October 1994, when cancer sidelined and then felled Secretary-General Manfred Wörner of Germany.

Mr. Balanzino will formally step into the post on Tuesday, when NATO ambassadors accept the secretary-general's letter of resignation, officials said.

More important, the expressions of calm underlined the lack of consensus on a successor. Officials noted that the three leading candidates were in the running a year ago after Mr. Wörner's death and passed over in favor of Mr. Claes.

Mr. Ellemann-Jensen enjoys the support of the Danish government and a reputation as an effective foreign minister and confirmed supporter of strong Atlantic defense links.

"NATO must now urgently find a successor and I think that Ellemann-Jensen would be competent for the post," Foreign Minister Niels Helveg Petersen told the Danish newspaper *Berlingske Tidende*.

Representatives of the government's Fifth Corps north of Sarajevo and agreed to comply with the truce accord and to define their confrontation line.

The truce continued to hold up well along 800 kilometers of the remaining front lines elsewhere in Bosnia, according to the military spokesman for the United Nations, Lieutenant Colonel Chris Vernon.

For the first time since the truce went into effect nine days ago, the Bosnian Serb Army reported Friday morning that the cease-fire was being "chiefly respected" around Sanski Most, a town in the northwest where pitched battles continued long after other fronts grew calm.

In another development, Croatian Army and civilian officials in the Krajina area, which was won back from the control of rebel Serbs this summer, dismissed United Nations reports of looting, house burning and murder as untrue or exaggerated.

It was the army's first reaction to repeated accusations that its troops had committed atrocities after capturing the region southwest of Zagreb in August and crushing a four-year Serbian insurgency there.

Bosnia Peace: A New Test West and Russia Struggle for Accord

By Roger Cohen

New York Times Service

PARIS — Bosnia was the battlefield on which the optimism of the Cold War's end was quashed. Now, with peace looming, it may be the place where several critical post-Cold War relations are defined. That, American officials say, is why Russian troops should participate in a force to police a settlement and probably will do so in the end despite President Boris N. Yeltsin's current objections.

"Bosnia has been an ugly little war," said a senior official who is working on coaxing Russia into the force led by the North Atlantic Treaty Organization that would go to Bosnia if peace is reached. "But now it is about to determine a whole set of vital issues for European security: the American role in Europe, the place of NATO, the Russian relationship to NATO and European relations with the Islamic world. Russia will go through its gyrations and then reach the obvious conclusion: this is not a show where it wants to be on the sidelines."

For now, there is no public indication of such acquiescence from Moscow. Indeed the American and Russian positions appear irreconcilable. The United States will not accept any dilution of the NATO chain of command for the force of about 60,000 troops, including at least 20,000 Americans, that would go to Bosnia in the event of a Balkan peace. Russia, in turn, will not accept sending troops to serve under NATO command.

These positions reflect pressing domestic considerations. With Congress already skeptical about sending Americans to Bosnia, any attempt to place them under anything but NATO command would cause an outcry. And with parliamentary elections looming in Russia, President Yeltsin cannot allow his nationalist critics to ridicule him for bowing to the West.

Richard C. Holbrooke, the chief American envoy to the Balkans, says this impasse does not trouble him unduly. A NATO peacekeeping force could operate in Bosnia without the Russians, he argues, although a Russian presence would clearly be preferable. But behind the scenes, the Clinton administration is engaged in a frenetic attempt to find a compromise with the Russians because, as one senior official said, "It's vital that this be a cooperative effort on European security."

The alternative to such cooperation is a scenario that haunts the American officials planning the military operation in Bosnia: the emergence of Bosnia, after Germany, as the new site of European cleavage, with Sarajevo becoming the new Berlin and rival spheres of Russian and U.S. influence emerging respectively on the Serbian and Muslim sides of the lines.

"We are doing everything to avoid some Berlin-like standoff. That is our nightmare," an American general said.

If Russia is engaged in Bosnia, thus working with the West, this danger would be lessened. But even if Russia does ultimately agree to participate, American officials are working to ensure that rival sectors are reminiscent of Berlin — do not emerge in Bosnia.

Thus the Clinton administration favors the participation of a relatively modest number of Russian troops, because, as one official said, "if they come in really big, they will probably have to have their own area."

"We are making a lot of offers to bring the Russians in," said an official close to Mr. Holbrooke.

For now, none of the offers has been enough to persuade President Yeltsin, whose current vulnerability to nationalist sniping is acute. At the same time, however, the Russians have conveyed to the Clinton administration that they want to work the problem out and are keen to be in Bosnia if a compromise can be found, several officials said.

"The feeling we get," said one, "is that when they see the train is leaving the station, they will get on board."

For Mr. Yeltsin, there are clear advantages to participation. It would avoid placing Russia in an adversarial relationship to NATO. It would allow him to share the glory of a Bosnian peace, if one does indeed take hold. It would consolidate his standing with western governments and open the way for a summit conference on Bosnia that the Russian government is keen to hold in Moscow.

Hopes Rise on Maintaining Truce

By Roger Cohen

New York Times Service

SARAJEVO, Bosnia-Herzegovina — Hopes grew Friday that a cease-fire in most of Bosnia would also take hold in the volatile northwest after representatives of the Bosnian Serb Army met their Bosnian Croatian and government counterparts.

The Croatian and Serbian regional truce monitoring commissions met near the village of Bocac, 30 kilometers (18 miles) south of Banja Luka, and agreed to set up a hot line phone between the rival commanders and to meet daily.

At the same time, Serbs met

representatives of the government's Fifth Corps north of Sanski Most and agreed to comply with the truce accord and to define their confrontation line.

The truce continued to hold up well along 800 kilometers of the remaining front lines elsewhere in Bosnia, according to the military spokesman for the United Nations, Lieutenant Colonel Chris Vernon.

For the first time since the truce went into effect nine days ago, the Bosnian Serb Army reported Friday morning that the cease-fire was being "chiefly respected" around Sanski Most, a town in the northwest where pitched battles continued long after other fronts grew calm.

In another development, Croatian Army and civilian officials in the Krajina area, which was won back from the control of rebel Serbs this summer, dismissed United Nations reports of looting, house burning and murder as untrue or exaggerated.

It was the army's first reaction to repeated accusations that its troops had committed atrocities after capturing the region southwest of Zagreb in August and crushing a four-year Serbian insurgency there.

GENE: Therapy Called Success BANANAS: Slippery Deals?

Continued from Page 1

girls' improvement can be attributed to their new genes and how much is due to a new drug they have also been taking.

Moreover, researchers said, the girls were selected to debut the technique because their extremely rare disease was deemed relatively easy to cure with the genetic technology available.

The results come at a crucial time in the political and economic evolution of gene therapy.

The approach has long been touted as one of the major potential spinoffs of the Human Genome Project, a \$3 billion federal effort to identify all of the 50,000 to 100,000 genes in the human body. Yet of more than 200 patients who have been treated with gene therapy for a variety of diseases since 1990, none has been cured.

The two girls featured in the American study were born with an extremely rare genetic disorder called adenosine deaminase (ADA) deficiency. The disease occurs when a child inherits mutated versions of a gene responsible for making a crucial detoxifying enzyme.

Without the enzyme, toxins build up in the blood, killing immune-system cells and leaving the child defenseless against bacteria and viruses. Until recently, such children typically died in the first few years of life.

In March, 1990, the Food and Drug Administration approved the first drug for ADA deficiency. Weekly injections of PEG-ADA enable the 45 patients with the disease to lead essentially normal lives. But it costs about \$2,200 a week.

Ashanthi DeSilva, then a four-year-old living in North Olmsted, Ohio, became the world's first federally approved recipient of new genes in September 1990. In a procedure led by Mr. Blaese, W. French Anderson and Kenneth Culver, researchers removed some of Miss DeSilva's white blood cells, added the ADA gene to those cells in laboratory dishes, and then reinfused the altered cells back into her veins. The treatment was repeated 11 times over a two-year period.

The second girl, Cindy Cutshall, of Canton, started the same regimen in January 1991. Then, two years ago, doctors stopped the gene treatments to see whether the girls' new genes would survive.

The report indicates that both girls have remained healthy and their immune-system scores are mostly normal. Most encouraging, cells bearing the new genes are still alive.

"Nobody knew how long these cells lived," said Mr. Anderson, now at the University of Southern California School of Medicine in Los Angeles. "One of the major concerns was that maybe they only live a few days or weeks."

Chiquita's fight against the European banana regime has drawn the support of other influential lawmakers as well and critics find it hard to believe that the political largess showered by Chiquita's Mr. Lindner has played no role.

Common Cause, the campaign reform advocacy group, reported earlier this year that Mr. Lindner, companies he controls and their executives, were the second-largest contributors to the "soft money" accounts of both political parties during the 1993-1994 election cycle, with \$525,000 going to the Democrats and \$430,000 to the Republicans.

Mr. Dole's office denied that he has been influenced by Mr. Lindner's contributions, and Mr. Kantor asserted that his actions were motivated by concerns for protecting legitimate U.S. interests.

UN: Protocol Woes Include Windy Heads of State

Continued from Page 1

leave the stage. Interpreters, whose experience has bred a certain skepticism, think that the hope is admirable but that the last day, Tuesday, may well run into the early morning hours of the next. Officials have ordered a late-night buffet.

"Tell me, what ambassador or foreign minister is going to go up there and tell the president to come down?" one official asked.

Mr. Freitas do Amaral, a law professor and former foreign minister himself, says the results would be dire if leaders began to overshoot the five-minute limit.

"If each speaker speaks seven minutes instead of five, it would mean six and a half hours more of speeches," he said.

Richard Butler, the representative of Australia and chairman of the 50th anniversary preparatory committee, devised the schedule for speakers, another thorny issue.

President Bill Clinton, as

head of the host country, gets the privilege of going first, solving the problem of what to do with the last superpower.

The rest drew lots for the six sessions: two each on Sunday, Monday and Tuesday. Then those names were arranged in descending order of rank, from heads of state down to ministers representing leaders who chose not to come — a list that includes President Saddam Hussein of Iraq, Colonel Muammar Gadhafi of Libya and — to everyone's surprise — Chancellor Helmut Kohl of Germany, the only European leader to stay away.

Aware of what this extravaganza of power is likely to do to New York City traffic, officials have been telling the delegates of 185 countries that it would be nice if their potentes stayed inside UN headquarters and didn't insist on motorcading around town.

In a place obsessed with rank, a few special hideaways known by their decor as the Indonesian and Chinese

lounges will be set aside for the most important guests.

Extra security, costing \$1 million, has been deployed around the UN headquarters, reinforcing the already inhospitable screening system, to protect more than 140 heads of state or government and at least 60 other world leaders, some of whom expressed qualms about joining possibly the largest group of political targets ever assembled in one place.

On the street outside, the New York City police take over.

Two years ago, on the 40th anniversary, zealous police officers stopped the then General Assembly president, Jaime de Píñes of Spain, who arrived late after being stuck in traffic, and told him he couldn't enter "until the show is over."

He replied that without him the show wouldn't go on at all. He got through the gate.

Mr. Freitas do Amaral says it won't happen again. "They have ordered me to be here before 7 A.M. Sunday," he said.

Trial Is Ordered For Alleged Aide To Top Terrorist

Agence France-Presse

BERLIN — Johannes Weirich, considered the righthand man of the international terrorist known as Carlos the Jackal, has been committed for trial for murder over a bomb attack against the French cultural center in Berlin, a Justice Department spokesman said Friday.

One person was killed and 23 were wounded in the attack of Aug. 25, 1983, on the Maison de France, which was believed to be part of a campaign by "Carlos," the Venezuelan-born Illich Ramirez Sanchez, to secure the release of his German girlfriend Magdalena Kopp, imprisoned in France.

Mr. Weirich, 48, who was handed over to Germany earlier this year by the authorities of Yemen where he had been in hiding, is said to have helped plan the attack and to have provided the explosive used.

No date has yet been fixed for Mr. Weirich's trial.

Norway does not have a candidate yet, Mr. Godal said, dampening speculation about a possible candidacy of Prime Minister Gro Harlem Brundtland or Thorvald Stoltenberg, the former UN mediator for Yugoslavia.

Spain's ambassador to NATO floated the name of Enrique Barco Crespo, the former president of the European Parliament, sources said.

He said that Japanese farmers, who form a powerful political lobby in Tokyo, already harbored serious mistrust of the government after Japan was forced to accept imports of rice as part of the negotiated deal under the Uruguay Round of global trade liberalization.

Formed in 1989, APEC includes Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand and the U.S.

The delegation to Canberra of members of the Liberal Democratic Party, the key member of Japan's coalition

TRADE: Japanese Intransigence on Agriculture Threatens Asian Economic Summit

Continued from Page 1

South Korea and Taiwan refused to budge from their position that members have the right to withdraw politically sensitive sectors from a general agreement to abolish all import barriers by 2020, with developed economies achieving the target by 2010.

Officials said that the United States, Australia, Canada, New Zealand and a number of Asian nations worried about the consequences of a major split in APEC were increasing pressure on Tokyo by linking the future of the group with Japanese ambitions to have a stronger role in regional affairs.

They said that Japan was in a pivotal position because it is the host of APEC this year, chairs the meetings and by agreeing to comprehensive free trade could

set an example that China, South Korea and Taiwan would find hard not to follow.

An Australian official said that in a private meeting with a Japanese delegation in Canberra on Thursday, Paul Keating, Australia's prime minister, described the Osaka summit as "high noon" for APEC and a test of Japanese leadership in the region.

APEC leaders meeting in Bogor, Indonesia, in November agreed to the goal of "free and open" trade and investment in the region by no later than 2020, but did not define what they meant or set out detailed guidelines for achieving their objectives.

The APEC ministers are supposed to finalize an action agenda that does this when they gather in Osaka from Nov. 16 to 17.

Leaders of the group, whose economies account for about half of world production and trade, hope to adopt the program at their summit.

The Australian official said that Mr. Keating "made it clear that Australia regarded the Bogor commitment to free trade as firm and unalterable, including in agriculture."

The delegation to Canberra of members of the Liberal Democratic Party, the key member of Japan's coalition

government, was led by Kabun Muto, a former agriculture minister.

He said that Japanese farmers, who form a powerful political lobby in Tokyo, already harbored serious mistrust of the government after Japan was forced to accept imports of rice as part of the negotiated deal under the Uruguay Round of global trade liberalization.

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Sri Lankan Air Force personnel questioning a civilian after Tamil Tiger rebels blew up two oil depots in Colombo.

Oil Depots In Sri Lanka Blown Up By Rebels

Compiled by Our Staff From Dispatches

COLOMBO — The government pressed ahead Friday with its campaign to capture the stronghold of Tamil rebels despite a spectacular attack on the country's two main oil depots. A seven-man guerrilla squad blew up storage tanks in the capital, Colombo, before dawn Friday. Thousands fled in panic as columns of oily smoke rose. At least 23 soldiers and policemen and 3 rebels were killed in fighting around the depots and 37 people were wounded. The depots store all the petroleum brought into Sri Lanka, which relies on imports. The rebels were believed ready to stage more suicide attacks in a bid to stall an army push in the north, security forces said.

But Anuruddha Ratwatta, deputy defense minister, told Parliament that the rebel attack would not halt the offensive in the Jaffna Peninsula, the rebels' stronghold. Since Tuesday, thousands of troops supported by tanks, planes and gunboats have advanced on the peninsula to try to capture Jaffna City, the headquarters of the rebel Liberation Tigers for Tamil Eelam.

The Tigers are fighting for a Tamil homeland in northern and eastern Sri Lanka. About 36,000 people have been killed in the 12-year insurgency. The government extended a curfew in and around Colombo until Saturday. (AFP, Reuters)

BRIEFLY ASIA

Indonesia Says It Freed Some Arrested in Dili

DILI, Indonesia — Indonesia said on Friday that it had released more than 100 of some 260 young people arrested after a week of rioting and police crackdowns in Dili, the capital of East Timor.

Soldiers and policemen have swept the capital for the last week, searching for youths they believe were behind some of the worst unrest this year.

Soldiers shot into the air, ransacked houses and intimidated neighborhoods after gangs of young East Timorese rampaged through parts of the city. They were apparently angered by a combination of ethnic, religious and economic grievances.

At least two people were killed. (Reuters)

Bangladesh Strike Ends

DHAKA, Bangladesh — Bangladesh began returning to normal Friday after the country's longest general strike, but the opposition's leader hinted that further efforts to topple Prime Minister Khaleda Zia could be more fierce.

The strike began Monday. Protesters who camped outside their homes during the strike moved back in and security forces withdrew to their barracks, witnesses said. (Reuters)

Graft Inquiry in Seoul

SEOUL — Prime Minister Lee Hoog Koo announced Friday an investigation into allegations that a former president, Roh Tae Woo, had amassed hundreds of millions of dollars during his term in office.

Mr. Lee's spokesman said the decision was made at a meeting of top ministers on Thursday.

Mr. Roh's office has denied the allegations. (Reuters)

Forest Policy Criticized

PHNOM PENH — Cambodia's king and its former finance minister criticized the government Friday for allegedly letting foreign companies strip the country's forests.

King Norodom Sihanouk suggested that all foreign companies be required to plant three trees for each tree they fell.

"If this deforestation does not stop," he said in a statement, "Cambodia will be, alas, a desert country in the 21st century."

Sam Rainsy, a former finance minister who is now an opposition leader, criticized a recent concession to the Indonesian Panin Group of what he said was almost a fifth of the country's forest land. (Reuters)

A New Blow to Empire

PORT MORESBY, Papua New Guinea — Papua New Guinea is considering cutting its ties with the British monarchy in line with neighboring Australia's push to become a republic.

Prime Minister Sir Julius Chan said his cabinet had agreed to review the future constitutional role of the monarchy in the country's political system.

"The question of whether Papua New Guinea should continue with Her Majesty the Queen and her heirs and successors as head of state of Papua New Guinea, or whether the country should become a constitutional republic or adopt an alternative form of government needs to be asked now," Sir Julius said. (Reuters)

More Thai Sex Workers

BANGKOK — The official number of sex workers in Thailand is rising but more people are using condoms for safer sex, a senior Public Health Ministry official reported Friday.

Vichai Chokevivat, deputy director general of the Communicable Disease Control Department, said there were now about 81,000 commercial sex workers, plus an estimated 5,000 "freelance sex workers" throughout Thailand. This compared with 68,860 sex workers in 1985, he said.

"More than 30 million pieces of condom are being used now annually in Thailand compared with only about 4 million used 10 years ago," he added.

A census found that restaurants topped the list in offering sex, followed by massage parlors. (Reuters)

3 Western Allies Pledge Pacific A-Ban

Compiled by Our Staff From Dispatches

PARIS — France, Britain and the United States jointly announced Friday that they will sign a treaty making the South Pacific a nuclear-free zone after Paris finishes a series of nuclear tests in the region.

The announcement was made by the United Nations and confirmed by officials from all three nations.

"The governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland, and the United States of America consider that internationally recognized zones free of nuclear weapons can contribute to peace and international security," a French statement said.

"This is the reason why we jointly announce today our intention to sign the relevant protocols of the Rarotonga Treaty during the first half of 1996," it said.

The 1985 Rarotonga Treaty bans stationing, testing and stockpiling nuclear weapons in the South Pacific.

France's decision to sign appeared to be an effort to defuse widespread anger over its resumption of underground nuclear tests in French Polynesia. Michael Szabo, a spokesman for Greenpeace, which has led the protests against the tests, described the agreement as a ploy to ease pressure on France and Britain.

But the British Foreign Office said: "Today's decision allows us to advance our position by sending the strongest possible signal of support for a nuclear weapons free zone in the South Pacific. The decision also reflects our wish to respond in a practical way to the concerns of those in the region and elsewhere about nuclear testing. It confirms our belief that an end to nuclear testing is in sight," it said.

France broke a three-year moratorium in September when it detonated a nuclear blast in the South Pacific. It conducted a second test in October, and has said it may run up to six more by May.

Signing the Rarotonga Treaty is an important step to getting all five declared nuclear powers — Britain, China, France, Russia and the United States — to sign a comprehensive test ban treaty by the end of 1996. Russia and China have already signed the Rarotonga Treaty.

The treaty does not bar nations from sending nuclear-armed or -powered ships through the South Pacific. Australia, among the most

vocal foes of the round of French tests, welcomed the announced signing and urged Paris to cancel the remaining blasts. "It is France that is testing in the South Pacific and it is France that must stop," Environment Minister John Faulkner said.

The South Pacific nuclear-free zone extends from the equator to 60 degrees south, where the Antarctic Treaty has established a demilitarized zone. (AP, Reuters, AFP)

Marines on Okinawa Brace for Big Protest

GINOWAN, Japan — U.S. Marines mixed live ammunition training with cultural sensitivity courses on Friday on the eve of a major demonstration against their presence on the Japanese island of Okinawa.

Okinawan newspapers carried coupons for free bus rides from all points on the southern island to the port city of Ginowan, where 50,000 people are expected to gather to protest the rape of a schoolgirl last month, for which three American servicemen face trial.

Camp newspapers urged soldiers "to respect the Okinawans' right of peaceful as-

sembly and to avoid this area during the protest hours."

Military authorities said that other than issuing traffic warnings, no special steps would be taken for the protest, which organizers have said would be peaceful and not attempt to enter a U.S. facility or block military operations.

The rally was sparked by the Sept. 4 rape of a 12-year-old girl, for which three servicemen face trial here next month.

The protesters will appeal to the Japanese and U.S. governments to compensate the rape victim, eliminate legal privileges enjoyed by U.S. troops and cut the number of bases.

Nonaligned Movement Calls for Reform of UN

CARTAGENA, Colombia — Leaders of the Nonaligned Movement, searching for a new role after the Cold War, vowed on Friday to seek reforms to the United Nations that would give developing countries not just a bigger voice but real decision-making power.

They called for more representation for Africa, Asia and Latin America in the Security Council and pledged to carry this message to the UN 50th anniversary commemoration starting Sunday in New York.

The campaign for reform of the United Nations and related world financial institutions, as well as a strong call for nuclear disarmament, were the top pri-

orities in a communiqué issued at the end of summit meeting, the 11th such session of the Nonaligned Movement.

The leaders of 113 countries also called for a "definitive solution" to the problem of Third World debt and pledged to combat poverty and hunger, as well as what the statement described as attempts by industrialized countries to erect trade barriers or impose unjust policies, conditions and models.

The closing ceremony was marred by the absence of several leading heads of state, such as President Fidel Castro of Cuba, Prime Minister Benazir Bhutto of Pakistan and Prime Minister P. V. Narasimha Rao of India, who left early.

Sir Philip Oppenheimer, De Beers Director, Dies

LONDON — Sir Philip Oppenheimer, who helped De Beers gain control of the world diamond market by convincing the Soviet Union to let him market its gems, has died. He was 83.

He died in London on Oct. 8, family members said. He entered De Beers in 1933, working as a diamond sorter and trainee salesman.

After the Depression, De Beers set up a producers' cooperative that aimed to restore

stability to the industry. He took over management of the cooperative after World War II.

He was instrumental in persuading African and Soviet producers as well as Israeli and Indian cutters and polishers to work with De Beers to keep the market stable.

His biggest coup came in 1959, when he persuaded the Soviets to let De Beers market their diamonds.

He was named a De Beers director in 1956 and knighted by Queen Elizabeth II in 1970.

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East Meets West: Rich Moghul Miniatures

LONDON — Of all the encounters between East and West, none produced a culture quite as strangely hybrid as that of India under the rule of the Persianized Turks who called themselves Moghuls.

Souren Melikian

It had not been for the insatiable curiosity of its third ruler Akbar, who mounted the throne in 1556, it might never have seen the light of day. Everything kindled the emperor's interest: art, other religions, literature from different cultures, Asian or European.

He wanted to have the deepest understanding of the art of the book and, to satisfy his desire, acquired the book painter's skills. Mir Sayyid Ali and Abd os-Samad, the two masters that his father Humayun had persuaded to leave the Iranian court in Tabriz (then the capital of Iran) to come to India and set up a royal atelier on the Tabriz model, personally directed Akbar's progress.

Akbar wanted to know more about Indian culture and saw to it that major Sanskrit works such as the Mahabharata and others were translated into Persian, the language of modern culture and polished intercourse in the Islamic courts of India. All that led to an extraordinary mix. The Indo-Persian school of Moghul painting that was coming into existence in the mid-1550s was unlike any that had existed, permeated as it was with motifs, colors, sometimes ideas native to India recast into a Persianized mold.

But that was nothing compared with what was yet to come.

Interested in theological debate — today Akbar would be seen as a comparatist — the Muslim emperor welcomed the West European missionaries who flocked to India. They brought their Holy Scriptures illustrated with engravings, as well as drawings and paintings. The missionaries made no conversions, but their books were thought pictures and their paintings marvelous. European-style perspective began to invade compositions, portraiture, as opposed to the stylized archetypal faces that had prevailed in Iran and India alike, was cultivated with a touch of Northern European influence in the handling of faces.

Under Akbar's son, Jahangir, who came to the throne in 1605, it gave rise to some extravagant creations by some fairly extraordinary characters. Hindu painters such as Basawan and

Manohar trained in the twin arts of calligraphy and book illumination in the Iranian tradition copied European Christian subjects. But these were merely the curiosities of a deeper artistic trend that blossomed for half a century, borrowing from seemingly conflicting traditions.

On Wednesday, one of the small gems of that school could be seen at Sotheby's, probably executed in the 1630s, some time after the death of Jahangir. It purports to represent Jahangir's grandfather, Humayun, seen seated on a carpet that fills the lower part of the miniature without any attempt at a perspective effect.

Behind Humayun, space recedes like some green immensity and the emperor's face is handled in that curious manner suggestive of the School of Fontainebleau paintings. India's share in the color scheme. The mauve of the tunic is quintessentially Indian, and so is the orange leaning to saffron of the long cloak.

On the back, a calligraphy in pure Iranian tradition carries the signature of Dara Shokuh, the princely Sufi mystic executed for heresy, who was a great calligrapher. But while the graphism is Persian like the poem itself, the birds that are perched here and there, and a few flowers, are painted with the naturalistic accuracy and the intense colors typical of the new Moghul school. The page that once formed part of an album put together for Dara Shokuh is a gem, hardly overpriced at £17,250 (\$25,875).

ANOTHER rarity of that school showing a brown antelope on one side carried the signature of the artist most admired under Jahangir for animal paintings, Mansur. His courtesy title "The Jahangirian Rarity of the Age" traced in very fine Nasta'liq characters, testifies to his mastery as a calligrapher. Indeed, only a trained calligrapher would thus trace the animal's outline without raising the pen from the paper or making any corrections, but the treatment of the fur and the eye betrays the impact of European naturalism.

The calligraphy again is Persian. It reproduces a poem by the 14th century poet Hafiz that the catalogue neither mentions nor identifies. Beginning "Come for the Castle of Hope has the weakest of foundations. Bring us nectar for the foundation of life is but the wind," it is directly connected with the image, the life of the bunted animal is under perpetual threat. Poorly preserved, but of great importance if only



A life-size portrait of the Moghul emperor Jahangir, dated 1617.

for its authentic signature as opposed to added inscriptions by librarians, it shot up to a phenomenal \$56,500 (\$88,910).

Soon the Europeanizing strain subsided, absorbed back into the Eastern tradition, as could be seen in the image of a bird of prey on its stand, which fetched £6,325. Substantial in relationship to the recent past, these prices are not huge if compared by those offered for European works of comparable standing.

They fundamentally betray a lack of confidence on the buyers' part, generated by the difficulty of fully grasping the subject.

Under the bird, panels of exquisite calligraphy with Persian verses were

would expect of an image that presents itself as Imperial.

Jahangir is seated on a chair of European inspiration, possibly Italian, of a model hitherto unseen in Moghul portraiture of that period, which is not brilliantly done. The folded rug under the august feet is several shades worse — one fails to understand why it is dumped in a bundle. The section of a low table laden with a glass decanter of Iranian type half-filled with wine, a translucent wine cup of white jade or "badilya," an Italian footed beaker and a honey-colored (jade?) cup, springs out of nowhere, oddly cropped by the frame and ends nowhere as well.

THE sleeveless tunic of embroidered satin is very well painted, but the mock jewelry in low relief applied on to the cotton looks cheap, the sash is awkwardly done, and the stoles fall limply without the flowing curvature dear to the heart of Moghul portraiture. Even the clumsy folds of the white robe do not seem to fit the bill. They are unusually naturalistic in contrast to the rhythmically stylized folds one expects.

The Persian inscriptions arranged in calligraphic panels raise further questions. One of them says at the top that the emperor improvised one of the distichs and at the bottom that it was completed "in the year of the conquest of the Deccan, in Mandu in the 12th year of the reign corresponding to the year 1026 (i.e. 1617 AD)."

One would expect such a significant occurrence to be mentioned by Jahangir in his autobiographical account. It is not. The long peneic singing the praise of Jahangir in 12 distichs is distributed in panels reminiscent of those found around images mounted in "muraqqa'" ("patchwork" albums). The abrupt change in frame design on the longer sides is unprecedented.

Altogether, the uneven quality of the painting and a number of oddities have yet to be satisfactorily accounted for.

Could the painting be related to the revivalist miniature painting and illumination of the early 19th century? It would explain a lot, but no evidence otherwise supports a later dating.

Whoever paid £573,500 (more than \$800,000) took a gamble if only because of the distressed condition of the picture. A lot more is likely to be heard about the painting when it emerges from the delicate conservation job that is urgently required.

On Art and War: Vietnam Painter Remembers

By Sherry Buchanan

HO CHI MINH CITY — On the edge of the city where the rice paddies begin, a plum tree with sweet pink fruit shades the turquoise house where Tran Trung Tin, one of Vietnam's great artists, lives. At 63, Tran appears tall and elegant with the dark black sunglasses he constantly wears these days to protect his eyes from the bright sunlight. His resonant voice soothes the impression of frailty conveyed by his willowy frame, the result of a stroke in 1983.

This is the man too ill and crazy to see anybody, they say. This is the man who had to wait 20 years before he would be able to exhibit his works in Vietnam. This is the man they are still suspicious of, so powerful and universal are his images of our primeval duality. Or maybe it is his portrayal of innocence harmed that is so threatening.

"I started painting while I was acting in Hanoi in 1969," Tran says, overjoyed to have some visitors in his lonely retreat. "Because I couldn't say anything as an actor, I was frustrated. My paintings are my true self."

Born in Saigon in 1933, his parents were high school principals. Tran grew up during World War II and by the age of 17 was fighting the French in Cambodia during Vietnam's war of independence. After the French defeat at Dien Bien Phu in 1954, Tran did some radio work in Hanoi, went to acting school and started writing scripts and acting in government films.

"They used to say I was handsome," he says, laughing. "I am an old man now. Wait a minute." He disappears behind the bookcase that serves to partition off his bedroom.

The walls are covered with recent oil paintings. But he hasn't been painting lately. A blank canvas waits at the easel for the day when the pain, which has persisted since his stroke, will become more bearable and he will paint again. He comes back with an old black and white photograph, showing him as a handsome young man.

In 1969, at the height of the Vietnam War, unable to contain his pain at the war's inhumanity, Tran gave up acting to take up painting. He was 36 and had no training in art. His first painting, oil on paper, "La tragedie optimiste," is the expression of this frustration.

When asked about the war, he simply says: "I feel I am of that time. Everything that happened because of the war."

Often going days without food, sometimes sleeping rough when he would give up his small space to friends in greater need, he painted by day on the sidewalk and by night by an oil lamp, using the little money he had to buy paints. He painted on anything he could find that was free: discarded newspapers and flour bags that he cut and then sewed together to create canvases.

Sadly, only the oils on newspaper from that time, between 1969 and 1975, survive. The bigger oils on the flour bags, all 400 of them, were thrown into the garbage when his room in Hanoi was repossessed. Not able to carry them with him on his first journey back to his native city after the war, Tran left them behind in his room.

Luckily, his oils on newspaper were with a friend. They have been the subject of a one-man show for the last month, the largest since his first show in Vietnam in 1989. The show, which closes Saturday, is being held in Hong Kong at the Galerie La Vong and is entitled: "Memoires Ombrees de Tran Trung Tin." (Like many Vietnamese of his generation, Tran is more comfortable in French than in English.)

"My heart is real," he says. "Over the past years, people said I was crazy. Nobody understood what I was painting."

Everyone, that is, except one Vietnamese artist, Bui Xuan Phai, who is considered one of Vietnam's great masters. He admired Tran's work and painted many portraits of him. He also understood the power of Tran's strokes, which capture with unflinching simplicity those terrible years of war, the sorrow and the scars but also the hope, innocence and generosity of spirit of so many.

His series of "Lady with a gun and flower" are probably the most poignant visual expressions of the Vietnam War. His "Rendez-vous at the Lightpost" records the sweetness of brief encounters by a street lamp, fleeing source of romantic light in the terrified city hiding in darkness from American bombs.

TRAN goes through the folders from the early 1970s. Nga, his wife, whom he met in Ho Chi Minh City in 1975, brings more out so that Shirley Hui and Judy Day, who are visiting from Hong Kong, can choose paintings for the show. Tran is shaken at having decided to sell some of his works. He had always hoped that they would stay in Vietnam.

We leaf through the paintings: "Venus" in pinks and whites, the soft embracing image of a woman; streets of Hanoi in muted green and purple, serene and terrified; humorous cats; a bull. "I imagine everything I paint with a primitive eye. I draw without any picture," he says. "I just imagine in my mind. I draw by myself. I draw freely."

Ten paintings on Buddhism are in yellows and browns and black, while 11 paintings on Christianity are in purples, deep blues and cardinal reds.

"My memories," he repeats to himself.

Sherry Buchanan is a journalist based in Hong Kong.

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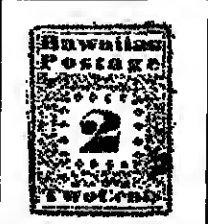
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Consent Required

The Clinton administration has strayed onto shaky constitutional and political ground by proclaiming it does not need congressional consent to send some 20,000 American ground troops to enforce a Bosnian peace agreement.

The White House misreads the constitution and public sentiment on Bosnia if it thinks President Bill Clinton can order American troops into danger without a congressional debate or vote. This is not the kind of unforeseen emergency where the president must act so quickly to defend national interests that there is not time to seek congressional approval.

Quite the contrary, it is precisely the kind of circumstance where precipitous presidential action is not warranted and where it could leave a military operation exposed to corrosive public opposition. The peacekeeping mission will be hard enough without inviting further division at home.

America's leading diplomatic role in bringing about a Bosnian peace agreement, as well as its claims to NATO leadership, create a strong obligation to contribute significant forces to peacekeeping. But Republican leaders like Senator Bob Dole strongly oppose such participation. Many others in both parties and in the country at large have misgivings about multinational military operations.

Clinton's Tax Seesaw

President Bill Clinton made two speeches recently in which he tried to shed responsibility for the tax increase he pushed through Congress in 1993. Then he held a news conference Thursday in which he tried to shed responsibility for the speeches. The speeches were misleading with regard to what occurred in 1993. The news conference was equally misleading with regard to what was said in the speeches.

"If anything I said was interpreted by anybody to imply that I am not proud of that program, proud of the people who voted for it, that I don't believe it was the right thing to do, then I shouldn't have said that because I am very proud of it," the president said Thursday.

Then came a question: "Mr. President, did you mean to say what you said, that you regret having raised taxes as much as you did?"

The president: "What I said was — what I meant to say is — I think nobody enjoys raising taxes. ... That's what I meant to say. ... I believe all the people who've heard me talk about it knew what I meant to say."

Indeed they did know, which is why the president is in such deep trouble just now — and deserves to be. In trying to carry political favor while having the tax issue both ways, he has succeeded in trashing his own principal accomplishment while in office, trashing the fellow Democrats who at some considerable political cost to themselves (and at his insistent urging) helped him achieve it, and undercutting the supposed position of both his party and his own administration in the current debate with the Republicans over the budget. That's some package.

On Oct. 13, the president spoke to the Business Council, the principal officers of the nation's largest corporations. In 1993, he said, "I had to raise your taxes more and cut spending less than I wanted to, which made a lot of you furious." This past Tuesday night, he said much the same at a fund-raiser in Houston. "Prob-

ably there are people in this room still mad at me ... because you think I raised your taxes too much. It might surprise you to know that I think I raised them too much, too."

His explanation was that the Republicans made him do it; the elephant ate his homework. It goes like this: Because the Republicans wouldn't deal with him on the budget, he had to look entirely to that other party and of course those people, all they're interested in is T (for tax) & S (for spend), and what was he to do but yield?

In fact, the 1993 tax increase was (a) more modest than current law would have you believe, and (b) absolutely the right thing to do. It reduced the deficit, helped to reverse 12 years of reckless fiscal policy (in which just two administrations managed to quadruple the national debt) and restored a progressive edge to the tax code. After the president proposed his budget, only three major changes were made. The principal tax increase that remained — for about the top 5 percent of income tax payers — was not that much discussed.

The president rightly observed during the debate and afterward that this was a tax increase for the highest-income people in the country only, which he said was only fair since those were also the people who had been the big winners in the tax roulette of the 1980s. Yet now it's precisely those taxpayers with whom, in his speeches, he is commiserating on grounds that their taxes are too high. In Congress, however, his administration is leading or pretending to lead an attack on the Republicans for cutting the taxes of whom? Of the rich.

So does the president think those taxes are too high or too low? Answer: He seems to think both those things in sequence and depending on his audience. He has two positions, which means he has none.

Mr. Clinton says he is proud of those who voted with him on this tough issue in 1993. They can't be very proud of him, or very certain of him either.

—THE WASHINGTON POST.

Retreating on Crime

Tough-on-crime House Republicans have chosen an unusual way to aid the U.S. fight against lawlessness. They are trying to repeal some of the more valuable anti-crime provisions of last year's omnibus crime bill.

An appropriations bill approved by the House last summer would eliminate targeted funding for President Bill Clinton's plan to put 100,000 more police officers on the nation's streets. Instead, the measure would roll the funds for this and other prevention programs into a large block grant to the states for the general purpose of "reducing crime and improving public safety."

Given the history of block grants, this approach will scatter the money originally aimed at one purpose — hiring more police — among other crime-fighting programs. However plausible these programs might be, they will inevitably siphon money from police-building.

In the early 1980s, wasteful spending of grant money persuaded Congress to abolish a similarly flexible grant program and to require greater accountability when

it fashioned the crime bill last year. House Republicans, however, seem to have developed a selective case of amnesia in their zeal to deny Mr. Clinton bragging rights for providing 100,000 new cops.

Wiser and less partisan instincts have prevailed in the Senate, which has voted to finance the hiring of new police officers at the level requested by Mr. Clinton. It also restored full funding for initiatives to combat violence against women and to force nonviolent drug offenders to undergo testing and treatment before release.

In addition, the Senate restored \$10 million that Mr. Clinton proposed for the Police Corps — still too little for a program that will provide better and fairer policing by offering college scholarships to students in exchange for service on a local police force after graduation.

A House-Senate conference must now resolve the big differences between the two chambers. Mr. Clinton has threatened to veto the bill if it does not include the funding for new police. That would be a sound use of his veto pen.

—THE NEW YORK TIMES.

Unconvinced of the Need for U.S. Troops in Bosnia

By A. M. Rosenthal

NEW YORK — "Put this senator at the moment in the unconvinced column," said John W. Warner.

The thoughtful Republican from Virginia has a lot of company in that column — members of Congress and of a larger body, the American public. They are not convinced that U.S. troops should be sent to Bosnia.

Now the administration faces the job of talking Americans into agreeing, and the itchy reality that the president committed himself to go ahead even if they do not agree.

Maybe President Bill Clinton will make his first full speech about it. That would be useful, provided ...

Provided, one, that he tells us how the war was made inevitable by Western Europe and the United States through political bumbles and cover-up.

What Americans have only the right but the duty to demand this information. Or else it won't matter much if we do or do not send troops to Bosnia, because one day we will bumble our way again into the variety of other civil, religious and national wars now in the making. The Polish poet Antonin Slonimski said it all

in the 1950s, in one line that got by the Communist censors: "How frightening is the past that awaits us."

Provided, two, that key questions are answered before troops are sent to Bosnia. So far most have not even been put.

What's the real mission? What are the 20,000 U.S. troops supposed to do when they get there — they and the thousands of replacements that will be needed?

Please don't just go on saying "they are there to keep the peace." Assistant Secretary of State Richard Holbrooke is fighting hard, trying to create a peace. But we all know that any peace that can last does not need 60,000 international troops to "keep" it.

So could the president tell us why he believes peace in a civil war can be kept by massive injection of troops from foreign countries that already have made war against one side — the Bosnian Serbs?

Maybe he believes no such thing, because the mission of U.S. troops includes a yet-unannounced component: to arm and train the Bosnian Muslim army so that

one day, if fighting breaks out again, it can demolish the Bosnian Serbs.

Will the Serbs wait until they are overwhelmed by Muslim-Croatian power hugely expanded by the United States? If they do not wait, Americans will bomb them again from the air, but will the United States also attack on the ground, and until what number of casualties?

Provided, three, that the president tells us what U.S. troops will do if — more realistically when — Bosnian Muslims and Croats again use the military advantage Western support gives them to attack the Serbs. Will the United States attack the Muslim army, for which it has been serving as unofficial air force? Will we fight the Croats we have encouraged and allowed Germany to make so strong?

If a renewed war seizes, will the United States attack one side one day, the others the next — or keep it simple by just throwing bombs and men against Serbs?

Provided, four, that the president tells us what in the name of sanity NATO has become. It was supposed to help the West protect itself against the Soviet Union. With that mission gone, Western Europeans decided to move into the Balkans,

of all places. Then, with all their armies, rapid deployment forces and air forces, they decided they could not handle it without U.S. air and land power.

Why not? General John Shalikashvili, chairman of the Joint Chiefs of Staff, says himself that NATO does not need U.S. troops in Bosnia.

But why should NATO be so involved in the first place? Has its purpose been expanded to include fighting in the border and ethnic wars of states and statelets outside NATO and not related to its members' security?

It seems so. When will Americans be told that, and that like it or not — and they won't — they have somehow been committed to being the essential fighting part of this new NATO?

Or is the reason for sending U.S. combat troops simply that Mr. Clinton once said he would — and even though he also once said he would not, he feels his credibility rests on the last promise, not the first?

Unless Mr. Clinton gives us hard answers, I think most Americans will move out of the uncertain column into the one marked "Not on your life."

New York Times Service

UN Resolution Played Crucial Role in Mideast Peace Process

By Gideon Rafael

This is the second of two articles.

JERUSALEM — The breakthrough on the peace from had to wait 30 years after adoption of the 1947 UN resolution to partition Palestine — until President Anwar Sadat, addressing the Knesset in Jerusalem, extended his hand of peace to Israel.

Protracted negotiations followed, reaching their successful conclusion through President Jimmy Carter's energetic personal intervention. At the conclusion of Camp David, in a fortnight of seclusion, the heads of government of Egypt and Israel, prodded by the president of the United States, produced the framework agreement of the first Arab-Israeli peace treaty.

It provided for the withdrawal of the Israeli forces from occupied Egyptian territory in the context of full normalization of relations of peace between the two countries, as well as for Palestinian self-rule based on the principle of two separate administrations in

the land between the Mediterranean and the River Jordan.

Indisputably, the United Nations played an important role in advancing the peace process when the Security Council adopted Resolution 242 in the diplomatic aftermath of the Six Day War in 1967. Since then, the resolution has served all sides engaged in the search for peace as an effective diplomatic tool.

The peace treaties between Israel, Egypt and Jordan, as well as the Oslo agreement with the Palestinians, all based on Resolution 242, testify to its utility and durability.

After decades of miscalculations, bottomless mistrust and tragic misfortune, after uprising and its suppression, the representatives of Israel and the Palestinian people concluded the Oslo agreement,

which grants the Palestinians self-rule over the Gaza area, Jericho and most of the West Bank.

In due time it will lead, as Prime Minister Yitzhak Rabin has said, to a new partition of the country into two political entities that may, in the course of time, progress from their initial state of separation to a form of association such as economic union or even a wider confederation.

After more than half a century of strife and bloodshed and innumerable missed opportunities, Palestinians and Israelis have come to appreciate the wisdom of the advice offered to them by the Peel report in 1937 that "half a loaf is better than no bread."

With every rejection of compromise by the Arabs, however, their part of the loaf has shrunk and their plight increased.

The demographic and geographic configuration of partition, as originally conceived by the United Nations, has been thoroughly changed.

Israel's resistance to Arab hostility has forged the Jewish state into a sturdy and resilient nation of democratic freedom, economic growth and military prowess: a state with more than 5 million inhabitants maintaining diplomatic relations with more than 130 countries, a respected member of the community of nations, a state living in relations of contractual peace with two of its immediate neighbors, engaged in implementation of the agreement with the Palestinian Authority and aspiring to the establishment of peace with Syria and Lebanon.

After more than 40 years of wandering through the wilderness of hostility, Israelis and Arabs have new horizons of stability, cooperation and prosperity in sight.

The writer, a former director-general of the Israel Foreign Ministry and involved in the work of the United Nations since 1947, contributed this comment to the International Herald Tribune.

Europe Must Prepare for the Great Endeavor of Unification

By Carlos Westendorp

MADRID — The European Union must renew itself so it can meet the challenges that lie ahead. The first is rousing its citizens to carry forward the project of European unity.

To this end, Europe must find the necessary means for addressing the problems that most directly affect its citizens (unemployment, social marginalization and environmental degradation) and its security (crime and terrorism). All these problems transcend the powers of the individual states and can be tackled successfully only on a European scale.

The profound changes that have taken place in the political structure of the European continent and in international economic relations also present major challenges to the EU.

We owe ourselves in a safer, but more unstable, situation than before, and it is the Union that is the main agent for peace and prosperity on the Continent. To continue wielding this positive influence, and if Europe is to play a leading role in the creation of the new world order, the Common

Foreign and Security Policy must be enhanced. The Union must be invested with an identity vis-à-vis the outside world that will enable it to act forcefully and coherently on the international stage.

Finally, Europe must ready itself to welcome a large number of countries that are knocking at its door. Most come from far away, in political and economic terms, and assimilating them constitutes one of the EU's greatest challenges.

Enlargement is undoubtedly good business — politically be-

cause it ensures stability and the consolidation of democracy in Europe, and economically because it opens up an enormous market from which we will all benefit. But it must be done well so the weight of the new members doesn't bring down the entire European edifice.

Europe's agenda for the final years of this century is overloaded. A number of major and potentially explosive issues must be resolved in a very short time: the 1996 reforms; the coming enlargement and a study of its potential impact on the Union's common policies, especially the CAP and the structural policy; the adoption of the single currency; the revision of the Western European Union, which is a fundamental element of the European defense identity, and, finally, the negotiation of the financial package for the first years of the new century.

In the same period, several member states will hold elections. It is essential to skillfully manage this program to prevent friction associated with any one of these sensitive topics from setting off a chain reaction that could blow up the entire European structure.

In view of this tight schedule, it may legitimately be asked what need there is for another conference, when the results of the previous one have not yet been digested and the European agenda has become so complicated.

Why an Intergovernmental Conference at this time? Above all, because it is indispensable to carry out reforms that will allow us to admit new members without risk to them or us. Some are inclined toward abbreviated reform, with minimum touch-ups. I think that would be a mistake. Reforms must be made with a view to the long term, and

without adopting any dogmatic or *a priori* attitudes. On the other hand, it would be inadvisable to intertwine the conference with a discussion on the costs of enlargement or with reform of the common policies. At the same time, the effort that must be made to preserve economic and social cohesion must be a joint one. If the intention is to conduct enlargement at the exclusive expense of certain sectors of the population (farmers, for example) or the citizens of the least-rich countries of the Union, we will have discovered a perfect formula for failure.

But it would be dangerous to deceive public opinion with the assertion that enlargement will not cost any money. Let us make it clear: The accession of new members will undoubtedly be an expense. But it will not be as large as some predict, nor will it necessarily have to be paid overnight. Time must be our ally, and a review will have to be made of flexible formulas that will make it possible to assimilate the impact of the enlargement — for the newcomers and for those who welcome them.

We shall have to divide the costs up fairly among us all, so that this exercise is the result of a shared effort that has the backing of all European citizens.

This is not just one more enlargement. Ahead lie the challenge and the historic opportunity to carry out the political unification of Europe. Ours is the responsibility to calmly examine the difficulties in order to overcome them. It is a worthwhile endeavor.

The writer is Spain's minister for European affairs. He contributed this comment to the International Herald Tribune.

'Boobus Americanus' Flies High

By William Pfaff

PARIS — Louis Farrakhan's address to the rally by black men in Washington this past week included references to what Mr. Farrakhan described as the deep ontological implications of the number 9, noting that the Capitol steps number 19 and that Thomas Jefferson, the slaveholder, was the nation's 34 president and Abraham Lincoln the 16th, adding up to 19. He said the number 9 represented a pregnant womb and 19 a secret to be unfolded.

These remarks were part of a long address that was both exhortative and emotional, a sermon in the old tradition of American black preachers, and a political statement.

He denied that his "heart was dark with hatred and anti-Semitism." In any case, he said, his personal merit, like that of David or Solomon, was irrelevant to his role as God's messenger. He said that the city of Washington — "laid out by a black man" — was "all placed and based in a secret Masonic ritual, and at the core of the secret of that ritual is the black man."

Let us now consider the Reverend Pat Robertson, the white fundamentalist preacher whose Christian Broadcasting Network's "news" broadcasts are on cable across the United States, and whose Moral Majority is a powerful force in the conservative alliance that currently dominates the Republican Party.

Mr. Robertson says that "the Illuminati," supposedly a Masonic secret society founded in the 18th century, sponsored by Jewish bankers, is responsible for the death of France's Louis XVI, the French Revolution, the murder of Abraham Lincoln, the writing of the Communist Manifesto, Bolshevism, the establishment of the American Federal Reserve banking system and the UN and President George Bush's "New World Order."

Mr. Robertson denies he is anti-Semitic, just as Mr. Far-

rakhan does. The Republican presidential candidate Bob Dole denounces President Bill Clinton for not having denounced Mr. Farrakhan. The Central Conference of American Rabbis will have nothing to do with the Black Muslim leader's attempt at reconciliation with the Jewish community.

However, if Senator Dole becomes the presidential candidate he will rejoice in the support of Pat Robertson, as indeed would most Republican candidates. The Moral Majority's endorsement is thought indispensable to a Republican victory in next year's presidential election.

Leading Jewish neo-conservative intellectuals, such as Irving Kristol and Norman Podhoretz, welcome the Moral Majority's support for Israel. (This support follows from the fundamentalists' belief that the return of the Jews to Jerusalem is a sign that the Messiah's second coming approaches, and with it the confounding of the Jews' unwillingness to accept that Christ is the Messiah. This theological detail does not seem to disturb these Jewish intellectuals, assuming they are even aware of it.)

Mr. Podhoretz admits that "a very strong case" can be made that Mr. Robertson is or has been anti-Semitic, but he concludes that, for him, Mr. Robertson's support for Israel "trumps the anti-Semitic pedigree of his ideas." Try the equivalent of that in judging Mr. Farrakhan.

Mr. Robertson himself a former candidate for the presidency, is now one of the most important players in American politics. Mr. Farrakhan is bidding to approach him in influence and might even succeed. Each believes and preaches widely misinformed if not maliciously distorted conspiratorial visions of history, in which all-

powerful secret elites or occult forces manipulate Americans.

They believe this just as the militias of the Midwest and West believe that the FBI, the Bureau of Alcohol, Tobacco and Firearms, Bill Clinton, and the whole federal government are controlled by alien forces bent on oppressing American citizens.

Hundreds of thousands of ominously educated Americans believe in New Age magic. There are university researchers who investigate flying saucer kidnappings. Millions believe that Elvis lives.

H.L. Menckens, a patriot of pungent convictions, wrote in the 1920s that "the boobus Americanus is a bird that knows no closed season — and if it won't come down to Texas oil stock, or one-night cancer cures or building lots in Swampthorpe, he will always come down to Inspiration and Optimism, whether political, theological, pedagogical, literary or economic."

The difference between the 1920s and today is that the boobus Americanus has been crowned American Eagle, and not only are millions too ignorant to tell the difference but politicians and publicists, even the intellectuals reputed to know better, fawn before him in the mistaken belief that they will use him, rather than he use them.

The United States now is a country where, because of the widespread collapse of education and the debasement of television and press, huge numbers of people will believe anything, and huge numbers of people at the top are prepared to tell them anything, or even believe it themselves. That is not the main lesson of what happened in Washington this past week, but it is a crucial lesson. The public debate in the United States increasingly is in the hands of the American Nut.

International Herald Tribune. Los Angeles Times Syndicate.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Natural Causes

ROME — Considerable excitement was caused here last night [Oct. 20] by a telegram from Massowah which announced that King Menelik I of Abyssinia had been killed by a flash of lightning. Absolutely definite and reliable information on the subject is not, however, yet obtainable. A later message denied the King's death, stating that Menelik had only been paralyzed by lightning, but today the *Chicoutie* affirms that a telegram has been officially received confirming the first report.

1920: Dead Letters

CHICAGO — George Klatz, a new mail carrier on a Chicago route, is believed to be the first postman arrested on a charge of burning letters which were given to him to deliver. Klatz grew weary of carrying tons of political speeches that burdened his letter bag on every round. He told his troubles to

a veteran carrier who jokingly replied: "Don't you know, we always burn that kind of trash." Klatz took the hint too literally and burned 3,000 second-class letters containing political propaganda.

1945: Argentine Strife

BUENOS AIRES — An anti-Semitic campaign bearing the earmarks of the one which started in Germany upon the advent of Hitler broke out yesterday [Oct. 20] in Argentina, following the return to power of Colonel Juan D. Peron. Bands of "Peronistas," celebrating the victory of their leader in street demonstrations during a 24-hour strike which paralyzed the normal life of the country, entered the Jewish quarter and stoned homes and buildings. With the tacit approval of police, the "Peronistas" engaged in fist fights with Jewish youths and shouted offensive slogans against the Jewish race. All commercial activity in the Jewish quarter was halted.



International Herald Tribune

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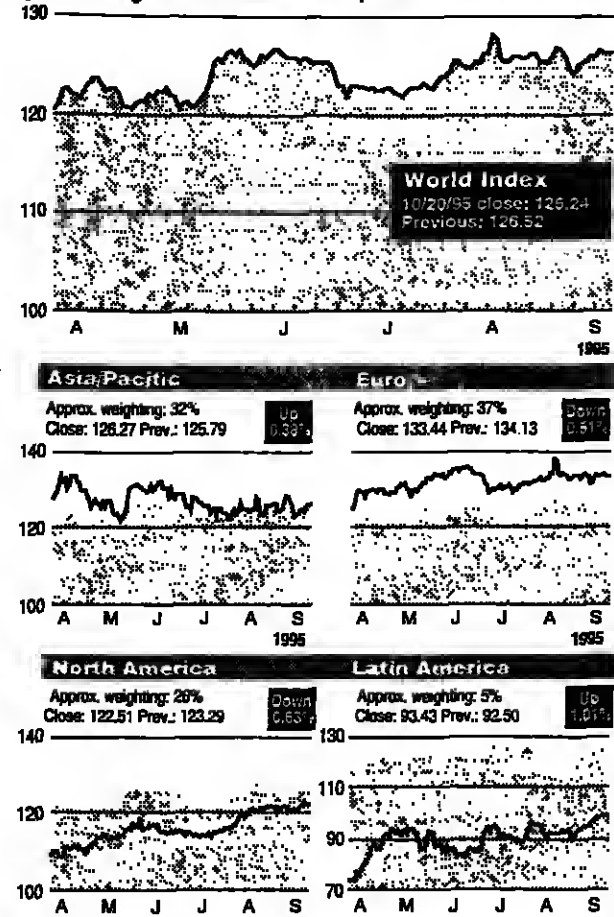
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 S.A. au capital de 1,200,000 F. RCS Nanterre B 73201156. Commission Paritaire No. 61337
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THE TRIB INDEX: 126.24

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The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major markets. The index is composed of the 20 top stocks in each of the 25 countries, otherwise the top 100 stocks are tracked.

Industry	10/20/95	10/19/95	% Change
Energy	124.42	124.39	+0.02
Utilities	128.61	128.31	+0.23
Finance	118.12	118.11	+0.01
Services	117.74	118.52	-0.66
Capital Goods	133.43	134.63	-0.89
Raw Materials	143.12	143.44	-0.22
Consumer Goods	130.00	129.51	+0.38
Miscellaneous	138.45	141.09	-1.87

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.

Deutsche Mark Retains the Throne

By Erik Ipsen
International Herald Tribune

LONDON — Fresh political uncertainties in Italy, where the government faces a no-confidence motion on Monday, touched off a wild flight of funds into Europe's safe-haven currencies Friday and raised new fears about the durability of the recent dollar rally.

With the Deutsche mark rocketing up nearly 1 percent against the Italian lira on the day, the dollar once again got caught up in the backwash.

Against the German currency the dollar fell by just under 1 penny to close at 1.3975 DM in London — its lowest ebb since early August. "The Deutsche mark is king once again," said Keith Edmonds, currency analyst at IBI International.

While most analysts were quick to say that Friday's new dollar weakness came on thin trading volume and was driven by political events in Europe rather than any bad news from the other side of the Atlantic, some expressed worries. "Market confidence in the dollar is beginning to wear thin," said Paul Chertkow, head of foreign exchange at UBS Ltd.

Since the coordinated intervention by the central banks of the United States, Germany and Japan in August, many investors had come to believe that at last the dollar would rise to some semblance of its fundamental value.

Against the yen, the rally in the dollar has proven to be powerful and enduring. From a low of just under 80 yen to the dollar, the U.S. currency has held its ground above 100 yen in recent weeks.

But against the mark, the picture could

Economist Sees U.S. Rate Cuts

Reuters

HONG KONG — The Federal Reserve Board is likely to lower short-term interest rates, possibly as early as mid-November, Lehman Brothers' chief global economist, Allen Sinai, said Friday.

Mr. Sinai said he expected a 25 basis point cut in the federal funds rate at the Nov. 15 meeting of the Federal Open Market Committee.

He said the U.S. economy has had a five-year run of low inflation and modest growth, which could continue for another two or three years.

But Mr. Sinai said a rate cut was not "a high-odds bet" because of mixed views among Federal Reserve members.

"A number of members are quite satisfied and feel no urgency" to cut, but others would like a reduction, he said. On July 6, the fed funds rate was reduced to 5.75 percent from 6 percent.

scarcely be more different. Friday's closing price for the Deutsche mark is not only 10 pfennigs below the German currency's post-intervention high of 1.49 in mid-September, but it is also well below the levels that forced the central banks to intervene in the first place.

"Political uncertainty in Europe is the excuse rather than the cause of the dol-

lar's weakness," Mr. Chertkow said. Instead, he and others said that the renewed vulnerability of the dollar owed much to a growing sense of a false dawn. A growing band of revisionists in the currency markets suggest that what the markets have seen over the past two months was not the long-awaited, often-forecast rally in the dollar but the carefully engineered descent of the yen.

Even the dollar's gains against the yen have been hard fought. Many traders said that the willingness of the Bank of Japan to buy any amount of dollars at any price in recent weeks had provided a key prop beneath the American currency.

What worries many in the currency markets is that although the leading central banks seem intent on maintaining the dollar above 100 yen to protect Japan's fragile financial sector, there seems little inclination on their part to intervene to push it up against the Deutsche mark.

In spite of recent assurances from the U.S. Treasury secretary, Robert E. Rubin, that the government believed that a strong dollar was in the country's best interests, investors are increasingly skeptical.

"You would think with the dollar so close to its all-time lows that the U.S. would be more concerned," Mr. Chertkow said. In the absence of that concern, the floor that many had presumed the Federal Reserve and others had designated for the dollar in August now looks decidedly flimsy.

Once again the dollar bulls have been caught out. Neil MacKinnon, chief currency strategist at Citibank said that only

See DOLLAR, Page 10

Intel to Spend \$3 Billion on New Factories

Compiled by Our Staff From Dispatches

SANTA CLARA, California — Taking advantage of the seemingly endless demand for its products, Intel Corp. said Friday it would spend more than \$3 billion to build factories for computer chips and related products in Israel, Ireland and Malaysia.

The world's largest maker of computer chips plans a flash-memory chip plant in Israel, a microprocessor plant in Ireland and a computer board factory in Malaysia.

The new spending comes on top of plant expansions in Arizona, California, Oregon and New Mexico. To meet demand that is growing at 25 percent or more annually, many semiconductor companies are undertaking capital expansions. Chip factories often cost more than \$1 billion to build and equip.

The move raises the stakes for Intel's competitors. Intel's microprocessors are the brains inside more than 80 percent of the world's personal computers.

"Intel's out-investing competitors," said Mike Gleason, an analyst with Dataquest Inc., a market research firm. "It has the revenue to do it. But it will make it harder for AMD and Cyrix to compete in the high end of the market."

Advanced Micro Devices Inc. and Cyrix Corp. build Intel-standard chips and have increasingly been hurt by Intel's price cuts on older-generation products as it churns out more powerful chips.

Intel plans to spend \$1.6 billion on a plant that will open in 1998 at Kiryat Gat, Israel, about 35 miles from Jerusalem. It will make advanced flash-memory products, which store information without using moving parts. Flash memory chips are increasingly used in personal computers, but also are common in smaller electronic devices. The plant will employ 1,500 people.

Intel's plant in Leixlip, Ireland, just outside of Dublin, the factory, also set to open in 1998, will be used to build future versions of Intel's microprocessors.

"This is the single largest, most technologically advanced industrial investment in the Republic of Ireland," said Michael Flood, a spokesman for the Irish Industrial Development Authority.

The existing Leixlip plant is one of several major Intel's Pentium chips, the latest in the company's family of microprocessors. Intel's complex at Leixlip currently employs about 2,600 people. The new plant is expected to create 2,000 additional jobs.

Intel this week posted a 41 percent increase in third-quarter profit, to \$931 million, primarily because of strong demand for Pentium chips.

The company's shares closed down 87.5 cents at \$57.125. Nevertheless, the stock price is still more than double what it was a year ago.

In Malaysia, Intel's plant at Kulim Hi-Tech Park will build motherboards and communications boards for personal computer manufacturers. Motherboards hold a computer's chips and circuitry together. Intel already runs an assembly and testing center about 30 miles away, in Penang.

(AP, Bloomberg)

Moody's Downgrades 3 Tokyo Banks

Bloomberg Business News

TOKYO — Moody's Investors Service Inc. lowered credit ratings Friday on three of Japan's largest banks to just a notch above junk bonds, saying they had not done enough to improve poor financial conditions caused by bad loans.

The U.S. credit-rating agency said it cut its long-term debt ratings on Hokkaido Takushoku Bank, Nippon Credit Bank and Chuo Trust &

Banking to Baa3 from Baa2. Moody's did not change the three banks' Prime-3 ratings for short-term debts.

Chuo Trust & Banking said the lower ratings were decided "one-sidedly."

"It's regrettable that the rating could fuel concerns not only about our bank, but also about Japan's financial system," the bank said.

Moody's said it believed the Japanese government was com-

mitted to protecting Japan's top 21 banks, including the three downgraded Friday, from failures.

But it said the banks' shareholders and subordinated debt holders might eventually be exposed to a loss.

As of March 31, Hokkaido Takushoku Bank had 479.2 billion yen (\$4.77 billion) in bad loans. Nippon Credit Bank's bad loans totaled 611.6 billion yen, and those at Chuo Trust & Banking totaled 173.6 billion yen.

The total amount of bad loans for banks and thrift institutions

in Japan is estimated to be 40 trillion to 50 trillion yen.

Baa3 is the lowest debt rating given to any Japanese bank, as well as the bottom of the so-called "investment grade."

Bonds rated below Baa3 are considered junk bonds.

The downgrades reflect the three banks' weak financial fundamentals as reflected in Moody's financial strength ratings, a new system it uses to assess a bank's intrinsic safety and soundness. On Aug. 21, Moody's assigned the three banks a financial strength rating of E, its lowest rating.

ECONOMIC SCENE

Slovenia: Bright Spot in the Balkans

By James Hansen
Special to the International Herald Tribune

LJUBLJANA, Slovenia — The prospect of real peace in the Balkans, if that is what the latest of many cease-fires leads to, may make one of Europe's hottest economies even hotter.

The economy of the Republic of Slovenia grew 5 percent last year, should grow 5 percent this year, and the government's Office of Macroeconomic Analysis expects it to grow by at least 5 percent next year as well.

Born from the ashes of the former Yugoslav Federation in 1991, Slovenia is by most measures the wealthiest of the former East Bloc countries. Its gross domestic product per capita now approaches \$10,000 annually. Inflation is under control at about 10 percent a year, and the Slovenian currency, the tolar, is stable and fully convertible.

All this has happened with war just a stone's throw away. Slovenia shares 300 miles (490 kilometers) of border with Croatia.

"We live in a bad neighborhood," said France Arhar, Governor of Slovenia's central bank, "and this has influenced the perception of Slovenian country risk."

Risk is hardly visible in the glittering streets of Ljubljana, Slovenia's capital, where rollerblade enthusiasts easily pose greater risks than mortar shells.

"It's a good place to do business," said Jon Bachman, managing director of Johnson & Johnson's regional office. "Slove-

nian telecoms and postal service are good, the work force is well-trained, the corporate tax rate is the lowest around. We're forecasting pretty significant growth over the next few years."

This mix of prosperity, social discipline and proximity to rich European Union markets in neighboring Italy and Austria should be highly attractive, but Western investors have so far mostly stayed away.

The nearness of war has been a factor, as has the country's size — just 2 million people in an area only slightly larger than New Jersey. But the real problem is that the Slovenians do not want the investment.

"You have to understand my countrymen," said Tomaz Rozman, managing director for Europe at Air Routing International, a Texas company that has based its European operations in Ljubljana. "We have been invaded by everyone from Genghis Khan to Napoleon. Slovenians are very cautious with foreigners."

Igor Strmnik, deputy director of the Office of Macroeconomic Analysis, said: "Slovenia simply doesn't need foreign investment, and it causes problems for the tolar. National savings are sufficient to cover both foreign-currency reserves and capital investment."

In spite of Slovenia's lack of enthusiasm, about \$100 million a year is still coming into the country. Stuffing all that cash away can be a problem. The country's foreign reserves are already a startling two-and-a-half-times the volume of money in circulation.

"The problems of our economy are those of prosperity, not poverty," said Jozsef Mencinger, an economist at the University of Ljubljana and a former deputy prime minister.

Mr. Mencinger agreed that Slovenia did not require foreign investment now, but said that may change. "We've met a demand-driven boom in exports by exploiting unused industrial capacity, so our much was required in the way of capital, but little modernization was done and competitiveness is now dropping."

If Slovenia does decide it needs the money, Western investors may be put off by the same limit that concerns Slovenian operators — the country's small size.

A domestic market of only 2 million consumers may not be large enough for some of Slovenia's ambitions, which include maintaining a growth rate of "at least 1.5 percent above that of the Western European economies for the next 5 or 6 years," according to Vlado Dimovski, Slovenia's state secretary for industry.

The country is attempting to overcome its size limitation through a range of free-trade agreements with other former East Bloc countries, and through membership in CEFTA, the Central European Free Trade Agreement.

It pins its greatest hopes though on associate membership in the European Union, an arrangement that Deputy Prime Minister Janko Dezelak described as "initiated, but not signed."

See SLOVENIA, Page 11

BMW-Rolls-Royce to Make New Jet's Engines

Bloomberg Business News

LONDON — Rolls-Royce PLC and Bayerische Motoren Werke AG said Friday that their joint venture to make jet engines had won a contract to install up to \$800 million worth of engines in the new McDonnell Douglas MD-95 airliner.

The sale is part of a \$1 billion deal that ValuJet Airlines Inc. of Atlanta signed Thursday to buy 50 of the twin-engine commercial aircraft from McDonnell Douglas Corp.

McDonnell Douglas shares closed up \$1.625 Friday, at \$83.375.

The MD-95 sale is the third

major sale of the BR-715 engines and the first order for use in a commercial aircraft.

"The launch of the BR-715 extends the engine family into the airline sectors," said Albert Schneider, chairman of BMW-Rolls-Royce.

Rolls-Royce shares closed at 166 pence (\$2.61), up 1, while BMW stock closed at 762 Deutsche marks, (\$537.30), down 4.

BR-715 engines will first fly in November on a Gulfstream jet. Gulfstream Aerospace Corp. ordered about \$500 million worth of engines from the venture in 1992.

Under the McDonnell Douglas contract, the 5-year-old venture will make 100 engines plus about 10 spares for the first 50 aircraft in the ValuJet deal. That portion of the contract is worth about \$400 million, said Robert Nuttall, a spokesman for Rolls-Royce.

Under its contract with McDonnell Douglas, ValuJet has the option to buy another 50 MD-95s — and thus another 100 engines, worth another \$400 million to the European venture.

McDonnell Douglas had already lined up most of its major supplier partners before the signing of the ValuJet contract, but the St. Louis-based aircraft maker and the partners held off on announcing the details of their arrangements until the MD-95 had won a major order.

The ValuJet contract is the first major sale of the new airliner.

The 2-year-old budget carrier already has a stable of DC-9 90s and other older planes.

The 106-seat MD-95 is the successor to the DC-9. It is scheduled to begin service in June 1999 after a first flight in May 1998.

CURRENCY & INTEREST RATES

Cross Rates	Oct. 20	Eurocurrency Deposits	Oct. 20
Australian \$	1.065	1-month	5.50
British pound	1.630	3-month	5.50
Canadian \$	0.700	6-month	5.50
French franc	6.540	1-year	5.50
German mark	1.360	1-month	5.50
Italian lira	2.000	3-month	5.50
Japanese yen	140.00	6-month	5.50
Netherlands guilder	2.200	1-year	5.50
New Zealand \$	1.350	1-month	5.50
Portuguese escudo	200.00	3-month	5.50
Spanish peseta	166.60	6-month	5.50
Swedish krona	8.460	1-year	5.50
Swiss franc	1.480	1-month	5.50
Taiwan dollar	20.000	3-month	5.50
Thai baht	50.000	6-month	5.50
Turkish lira	1.800.000	1-year	5.50
U.S. dollar	1.000	1-month	5.50
West German mark	1.360	3-month	5.50
Yugoslav dinar	13.600	6-month	5.50
Other Dollar Values			
Argentine peso	1.000		
Australian \$	1.065		
British pound	1.630		
Canadian \$	0.700		
French franc	6.540		
German mark	1.360		
Italian lira	2.000		
Japanese yen	140.00		
Netherlands guilder	2.200		
New Zealand \$	1.350		
Portuguese escudo	200.00		
Spanish peseta	166.60		
Swedish krona	8.460		
Swiss franc	1.480		
Taiwan dollar	20.000		
Thai baht	50.000		
Turkish lira	1.800.000		
U.S. dollar	1.000		
West German mark	1.360		
Yugoslav dinar	13.600		
Forward Rates			
30-day	1.065	30-day	1.065
60-day	1.065	60-day	1.065
90-day	1.065	90-day	1.065
120-day	1.065	120-day	1.065
150-day	1.065	150-day	1.065
180-day	1.065	180-day	1.065
210-day	1.065	210-day	1.065
240-day	1.065	240-day	1.065
270-day	1.065	270-day	1.065
300-day	1.065	300-day	1.065
330-day	1.065	330-day	1.065
360-day	1.065	360-day	1.065

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EUROPE

Head of Company Holding MGM In No Rush to Sell

Bloomberg Business News
PARIS — The head of the company created to hold and sell off Crédit Lyonnais SA's risky assets said Friday that Metro-Goldwyn-Mayer Inc., the Hollywood studio held by the new company, need not be sold before 1997.

Consortium de Réalisations was created last summer to remove risky assets from the ailing French state-controlled bank's balance sheet.

Crédit Lyonnais was expected to sell or otherwise shed the studio by 1997 because U.S. banking law does not allow bank holding companies to own industrial properties for more than five years.

But now that MGM is off Crédit Lyonnais' balance sheet and on that of CDR, the new company's head, Michel Rouger, said that the U.S. constraint no longer applied.

"MGM is not a bank," he said. "We will sell MGM whenever it is ready to be sold."

If his reading of the law is borne out, CDR would be in a stronger position in its search for a buyer.

Mr. Rouger is the former head of the Tribunal de Commerce de Paris, the commercial court in the French capital.

Crédit Lyonnais helped Gancardin Parretti buy MGM — the producer of such films as "The Wizard of Oz" and "The Godfather" — for \$1.2 billion in 1990. It seized the studio shortly after he took control, saying that the Italian financier was running it into the ground and defaulting on loans.

Extradition on Track
U.S. lawsuits involving Mr. Parretti will not prevent his extradition to France to face embezzlement charges, a Justice Department spokesman said Friday. AFX News reported from Washington.

Mr. Parretti was arrested Wednesday on French charges of misuse of MGM assets.

He was arrested while giving a deposition as part of a \$4 billion counterclaim against Crédit Lyonnais.

The civil suit, the department spokesman said, "is not currently an issue which would interfere with Mr. Parretti's extradition" to France.

Norway Increases Oil Output

North Sea Platform Is Another Blow to OPEC

By Agis Salpukas
New York Times Service

Oil has begun to flow from one of the most expensive and innovative platforms in the North Sea, adding to Norway's capacity to export oil. The extra production will keep a check on OPEC's strategy of attempting to push up prices.

Conoco Inc., owned by Du Pont Co., developed and owns part of the project, called Heidrun. It is the northernmost field ever to be developed, about 70 miles from the Arctic Circle, and it includes the first floating platform to be made of concrete.

The platform cost \$4.2 billion and was begun six years ago. It is being operated by Statoil A/S of Norway, the majority owner. Production began on Wednesday.

By the beginning of next year, the platform should be producing about 200,000 barrels a day, adding to Norway's current output of 2.7 million barrels a day.

Because much of the oil is exported, Norway has become a major presence in world markets, even though production in the North Sea had been expected to level off and then decline.

Huge, technologically driven projects such as Heidrun have been the key to keeping worldwide production up, eroding OPEC's strategy of seeking to restrain output to prop up prices. Norway and other North Sea producers are not members of the Organization of Petroleum

Exporting Countries. Worldwide demand for oil has gone up by about 1 million barrels a year since 1993, but most of it is being met by countries and oil companies outside OPEC, with the North Sea playing a major role.

Thus, the addition of projects such as Heidrun is expected to continue to erode

Huge, technologically driven projects like Heidrun have been the key to keeping worldwide production up and undermining OPEC.

OPEC's power, and it will add to the group's predicament when oil ministers from the cartel's member countries meet in November to consider whether to again hold OPEC's production at 25 million barrels a day.

The Heidrun project includes many firsts for the oil industry, such as its platform of lightweight concrete. Because the platform is anchored to the seabed 1,150 feet (350 meters) below the surface and in a remote area where seas can be rough, it is a more difficult and expensive to build a pipeline. Instead, the oil will be loaded via a short pipe into

three tankers that will ply between the platform and ports.

The giant field was discovered in 1985 and is estimated to contain reserves of about 750 million barrels of oil. Heidrun is named after a creature from Norse mythology, a goat that lived in Valhalla and provided an unending supply of meat for the gods and warriors after eating from the tree of life.

Archie W. Dunham, executive vice president of production of Conoco, said the field's reserves could be greater than estimates indicate. On most large projects, he said, "you end up finding more oil than you thought you were going to find." That, he said, "will hold true on this project."

"There are still a lot of unexplored areas offshore," he said, adding that many companies were gearing up to bid on leases that Norway will offer soon.

Oil revenue has transformed the Norwegian economy but has caused a debate as to whether the money is being used properly and whether production should be slowed.

The Heidrun project was recently delayed when Norway got the partners to agree to build a methanol plant that will use gas from the field to produce methanol. The three owners are Statoil, which holds 76.75 percent stake, Conoco, which has 18.25 percent, and Neste Petroleum, a unit of Neste Oy of Finland, with 5 percent.

SLOVENIA: Prospering While Neighbors Fight

Continued from Page 9

Finalization of EU associate status is being held up by Italy, which is using its veto as a European Union member state to pressure Slovenia on the issue of Italian property seized after World War II by Yugoslavia.

"The Italians are being irrational on this," Mr. Dezelak said. "They are trying to drive us into a corner. I think this issue should be abandoned."

Whether the question can simply be forgotten is doubtful, but it will eventually be resolved as, presumably, genuine peace will eventually come to the Balkan states below Slovenia's southern border.

A real end to war could make Slovenia into a window on the Balkans. The Ljubljana World Trade Center has already begun work on a new tower block intended primarily to house Bosnian businessmen who are finding that a Sarajevo address on their business cards does not bring in clients.

The official position of the Slovenian government is to play down this possibility. "Slovenia's future has turned 180 degrees to the North and West and our economy will develop on this basis," Mr. Dezelak said. "I doubt the proportion of our GDP coming from trade with the former Yugoslav republics will ever go above 12 or 13 percent."

Before the collapse of Yugoslavia, 40 percent of Slovenia's trade was with the other republics of the Federation. "Slovenia wants to forget it is part of the Balkans," Mr. Mencinger said. "I'm skeptical about the optimism of Western observers who expect to serve the rest of the Balkan Peninsula from here."

Not everybody is that optimistic. One Western manager, who asked not to be identified, said, "The way the Balkan peoples hate each other, you're going to need a Serbian company in Serbia, a Croatian company in Croatia and a Slovenian company in Slovenia for the next 50 years."

Rexrodt Sees Danger in EU Delay

The Associated Press

FRANKFURT — A day after he declared it was more important for European Union states to meet monetary union criteria than to start up on schedule, Economics Minister Ginter Rexrodt said Friday that a delay increases the danger that there will never be a common currency.

"A moratorium increases the danger that economic and currency union will be talked away," Mr. Rexrodt said in a statement at a conference for state economists ministers organized by the International Herald Tribune and Germany's Economics Ministry.

European monetary union is

to take effect in 1999, but so far only Germany and Luxembourg meet the financial criteria of balanced budgets, stable currency, low interest rates and low inflation.

But Mr. Rexrodt said that putting off the deadline to allow more governments to get their financial houses in order would be an "evasive tactic" that would reduce "healthy pressure" on member states to meet the conditions.

On Thursday, Mr. Rexrodt endorsed the possibility of delaying monetary union by "a year or two" if France, a main locomotive in the European Union, could not meet the terms in time for 1999.

Mr. Rexrodt also suggested an added fiscal policy agreement among countries that would join the monetary union. Such an agreement would call for strengthening the disciplinary policy of the Maastricht treaty that creates the monetary union.

Deutsche Bank's Shift
Deutsche Bank, Germany's largest commercial bank, plans to concentrate its proprietary foreign-exchange trading activities in Frankfurt, London, New York and Singapore, The Associated Press reported.

Traders said the planned reorganization would not entail massive job cuts.

Investor's Europe					
Frankfurt DAX		London FTSE 100 Index		Paris CAC 40	
					
M J J A S O 1995		M J J A S O 1995		M J J A S O 1995	
Exchange	Index	Friday Close	Prev. Close	% Change	
Amsterdam	EOE	454.65	455.48	-0.38	
Brussels	Stock Exchange	7,749.36	7,791.25	-0.23	
Frankfurt	DAX	2,170.49	2,178.60	-0.42	
Copenhagen	Stock Market	368.18	361.37	0.38	
Helsinki	HEX General	1,970.01	2,015.06	-2.34	
Oslo	OBX	413.52	417.65	-0.99	
London	FTSE 100	3,561.40	3,578.60	-0.78	
Madrid	Stock Exchange	298.38	300.26	-1.29	
Niirn	MIBTEL	5,077.00	5,901.00	-2.41	
Paris	CAC 40	1,740.72	1,757.30	-0.94	
Stockholm	AX 16	1,918.82	1,936.61	-0.94	
Vienna	ATX	895.71	918.08	-2.22	
Zurich	SPI	2,020.03	2,023.11	-0.15	

Source: *Telekurs* International Herald Tribune

NYSE

Friday's 4 p.m. Close
National market, not reflecting late trades elsewhere.
The Associated Press.

12 Month	High	Low	Open	Close	Volume	High	Low	Open	Close	Volume
IBM	125.00	124.00	124.50	124.50	1,200,000	125.00	124.00	124.50	124.50	1,200,000
Microsoft	65.00	64.00	64.50	64.50	800,000	65.00	64.00	64.50	64.50	800,000
Apple	45.00	44.00	44.50	44.50	600,000	45.00	44.00	44.50	44.50	600,000
Oracle	35.00	34.00	34.50	34.50	400,000	35.00	34.00	34.50	34.50	400,000
Sun Microsystems	25.00	24.00	24.50	24.50	300,000	25.00	24.00	24.50	24.50	300,000
Novell	15.00	14.00	14.50	14.50	200,000	15.00	14.00	14.50	14.50	200,000
Lotus	10.00	9.00	9.50	9.50	150,000	10.00	9.00	9.50	9.50	150,000
Intuit	8.00	7.00	7.50	7.50	100,000	8.00	7.00	7.50	7.50	100,000
Visa	5.00	4.00	4.50	4.50	50,000	5.00	4.00	4.50	4.50	50,000
MasterCard	4.00	3.00	3.50	3.50	40,000	4.00	3.00	3.50	3.50	40,000
Discover	3.00	2.00	2.50	2.50	30,000	3.00	2.00	2.50	2.50	30,000
Amex	2.00	1.00	1.50	1.50	20,000	2.00	1.00	1.50	1.50	20,000
Bank of America	1.00	0.50	0.75	0.75	10,000	1.00	0.50	0.75	0.75	10,000
JP Morgan Chase	0.50	0.25	0.375	0.375	5,000	0.50	0.25	0.375	0.375	5,000
Wells Fargo	0.25	0.125	0.1875	0.1875	2,500	0.25	0.125	0.1875	0.1875	2,500
Citigroup	0.125	0.0625	0.09375	0.09375	1,250	0.125	0.0625	0.09375	0.09375	1,250
Bank One	0.0625	0.03125	0.046875	0.046875	625	0.0625	0.03125	0.046875	0.046875	625
First Union	0.03125	0.015625	0.0234375	0.0234375	312	0.03125	0.015625	0.0234375	0.0234375	312
Bank of New York	0.015625	0.0078125	0.01171875	0.01171875	156	0.015625	0.0078125	0.01171875	0.01171875	156
Capital One	0.0078125	0.00390625	0.005859375	0.005859375	78	0.0078125	0.00390625	0.005859375	0.005859375	78
Bank of Montreal	0.00390625	0.001953125	0.0029296875	0.0029296875	39	0.00390625	0.001953125	0.0029296875	0.0029296875	39
TD Bank	0.001953125	0.0009765625	0.00146484375	0.00146484375	19	0.001953125	0.0009765625	0.00146484375	0.00146484375	19
Bank of Canada	0.0009765625	0.00048828125	0.000732421875	0.000732421875	9	0.0009765625	0.00048828125	0.000732421875	0.000732421875	9
Bank of England	0.00048828125	0.000244140625	0.0003662109375	0.0003662109375	4	0.00048828125	0.000244140625	0.0003662109375	0.0003662109375	4
Bank of France	0.000244140625	0.0001220703125	0.00018310546875	0.00018310546875	2	0.000244140625	0.0001220703125	0.00018310546875	0.00018310546875	2
Bank of Germany	0.0001220703125	0.00006103515625	0.000091552734375	0.000091552734375	1	0.0001220703125	0.00006103515625	0.000091552734375	0.000091552734375	1
Bank of Italy	0.00006103515625	0.000030517578125	0.0000457763671875	0.0000457763671875	0	0.00006103515625	0.000030517578125	0.0000457763671875	0.0000457763671875	0
Bank of Japan	0.000030517578125	0.0000152587890625	0.00002288818359375	0.00002288818359375	0	0.000030517578125	0.0000152587890625	0.00002288818359375	0.00002288818359375	0
Bank of Korea	0.0000152587890625	0.00000762939453125	0.000011444091796875	0.000011444091796875	0	0.0000152587890625	0.00000762939453125	0.000011444091796875	0.000011444091796875	0
Bank of China	0.00000762939453125	0.000003814697265625	0.0000057220458984375	0.0000057220458984375	0	0.00000762939453125	0.000003814697265625	0.0000057220458984375	0.0000057220458984375	0
Bank of India	0.000003814697265625	0.0000019073486328125	0.00000286102294921875	0.00000286102294921875	0	0.000003814697265625	0.0000019073486328125	0.00000286102294921875	0.00000286102294921875	0
Bank of Australia	0.0000019073486328125	0.00000095367431640625	0.000001430511474609375	0.000001430511474609375	0	0.0000019073486328125	0.00000095367431640625	0.000001430511474609375	0.000001430511474609375	0
Bank of New Zealand	0.00000095367431640625	0.000000476837158203125	0.0000007152557373046875	0.0000007152557373046875	0	0.00000095367431640625	0.000000476837158203125	0.0000007152557373046875	0.0000007152557373046875	0
Bank of South Africa	0.000000476837158203125	0.0000002384185791015625	0.00000035762786865234375	0.00000035762786865234375	0	0.000000476837158203125	0.0000002384185791015625	0.00000035762786865234375	0.00000035762786865234375	0
Bank of Argentina	0.0000002384185791015625	0.00000011920928955078125	0.000000178813934326171875	0.000000178813934326171875	0	0.0000002384185791015625	0.00000011920928955078125	0.000000178813934326171875	0.000000178813934326171875	0
Bank of Brazil	0.00000011920928955078125	0.000000059604644775390625	0.0000000894069671630859375	0.0000000894069671630859375	0	0.00000011920928955078125	0.000000059604644775390625	0.0000000894069671630859375	0.0000000894069671630859375	0
Bank of Mexico	0.000000059604644775390625	0.0000000298023223876953125	0.00000004470348358154296875	0.00000004470348358154296875	0	0.000000059604644775390625	0.0000000298023223876953125	0.00000004470348358154296875	0.00000004470348358154296875	0
Bank of Russia	0.0000000298023223876953125	0.00000001490116119384765625	0.00000002235174179077145625	0.00000002235174179077145625	0	0.0000000298023223876953125	0.00000001490116119384765625	0.00000002235174179077145625	0.00000002235174179077145625	0
Bank of Ukraine	0.00000001490116119384765625	0.000000007450580596923828125	0.00000001117587089538571875	0.00000001117587089538571875	0	0.00000001490116119384765625	0.000000007450580596923828125	0.00000001117587089538571875	0.00000001117587089538571875	0
Bank of Poland	0.000000007450580596923828125	0.0000000037252902984619140625	0.0000000055879354476928515625	0.0000000055879354476928515625	0	0.000000007450580596923828125	0.0000000037252902984619140625	0.0000000055879354476928515625	0.0000000055879354476928515625	0
Bank of Czech Republic	0.0000000037252902984619140625	0.00000000186264514923095703125	0.000000002793967723846428515625	0.000000002793967723846428515625	0	0.0000000037252902984619140625	0.00000000186264514923095703125	0.000000002793967723846428515625	0.000000002793967723846428515625	0
Bank of Slovakia	0.00000000186264514923095703125	0.000000000931322574615478515625	0.0000000013969838619232145625	0.0000000013969838619232145625	0	0.00000000186264514923095703125	0.000000000931322574615478515625	0.0000000013969838619232145625	0.0000000013969838619232145625	0
Bank of Hungary	0.000000000931322574615478515625	0.0000000004656612873077392578125	0.000000000698491928956607145625	0.000000000698491928956607145625	0	0.000000000931322574615478515625	0.0000000004656612873077392578125	0.000000000698491928956607145625	0.000000000698491928956607145625	0
Bank of Romania	0.0000000004656612873077392578125	0.00000000023283064365386962890625	0.000000000349245964478303515625	0.000000000349245964478303515625	0	0.0000000004656612873077392578125	0.00000000023283064365386962890625	0.000000000349245964478303515625	0.000000000349245964478303515625	0
Bank of Bulgaria	0.00000000023283064365386962890625	0.000000000116415321826934814453125	0.0000000001746229822391517578125	0.0000000001746229822391517578125	0	0.00000000023283064365386962890625	0.000000000116415321826934814453125	0.0000000001746229822391517578125	0.0000000001746229822391517578125	0
Bank of Greece	0.000000000116415321826934814453125	0.0000000000582076609134674072265625	0.00000000008731149111957587890625	0.00000000008731149111957587890625	0	0.000000000116415321826934814453125	0.0000000000582076609134674072265625	0.00000000008731149111957587890625	0.00000000008731149111957587890625	0
Bank of Turkey	0.0000000000582076609134674072265625	0.00000000002910383045673370361328125	0.000000000043655745559787890625	0.000000000043655745559787890625	0	0.0000000000582076609134674072265625	0.00000000002910383045673370361328125	0.000000000043655745559787890625	0.000000000043655745559787890625	0
Bank of Iran	0.00000000002910383045673370361328125	0.000000000014551915228366851806640625	0.0000000000218278727798939453125	0.0000000000218278727798939453125	0	0.00000000002910383045673370361328125	0.000000000014551915228366851806640625	0.0000000000218278727798939453125	0.0000000000218278727798939453125	0
Bank of Pakistan	0.000000000014551915228366851806640625	0.0000000000072759576141834259033203125	0.0000000000109139376399469628515625	0.0000000000109139376399469628515625	0	0.000000000014551915228366851806640625	0.0000000000072759576141834259033203125	0.0000000000109139376399469628515625	0.0000000000109139376399469628515625	0
Bank of Bangladesh	0.0000000000072759576141834259033203125	0.00000000000363797880709171295166015625	0.0000000000054569376399469628515625	0.0000000000054569376399469628515625	0	0.0000000000072759576141834259033203125	0.00000000000363797880709171295166015625	0.0000000000054569376399469628515625	0.0000000000054569376399469628515625	0
Bank of India	0.00000000000363797880709171295166015625	0.000000000001818989403545856475830078125	0.00000000000272846880709171295166015625	0.00000000000272846880709171295166015625	0	0.00000000000363797880709171295166015625	0.000000000001818989403545856475830078125	0.00000000000272846880709171295166015625	0.00000000000272846880709171295166015625	0
Bank of China	0.000000000001818989403545856475830078125	0.0000000000009094947017729282379150390625	0.000000000001364234403545856475830078125	0.000000000001364234403545856475830078125	0	0.000000000001818989403545856475830078125	0.0000000000009094947017729282379150390625	0.000000000001364234403545856475830078125	0.000000000001364234403545856475830078125	0
Bank of Japan	0.0000000000009094947017729282379150390625	0.00000000000045474735088646111895751953125	0.0000000000006821172017729282379150390625	0.0000000000006821172017729282379150390625	0	0.0000000000009094947017729282379150390625	0.00000000000045474735088646111895751953125	0.0000000000006821172017729282379150390625	0.0000000000006821172017729282379150390625	0
Bank of Korea	0.00000000000045474735088646111895751953125	0.000000000000227373675443230559478759765625	0.00000000000034105551317729282379150390625	0.00000000000034105551317729282379150390625	0	0.00000000000045474735088646111895751953125	0.000000000000227373675443230559478759765625	0.00000000000034105551317729282379150390625	0.00000000000034105551317729282379150390625	0
Bank of Australia	0.000000000000227373675443230559478759765625	0.0000000000001136868377216152797393798828125	0.000000000000170577776399469628515625	0.000000000000170577776399469628515625	0	0.00000000000022737367				

Friday's 4 p.m.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.

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Friday's 4 p.m. Close
(Continued)

44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1041 1042 1043 1044 1045 1046 1047 1048 1049 1050 1051 1052 1053 1054 1055 1056 1057 1058 1059 1060 1061 1062 1063 106

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INTERNATIONAL FUNDS Oct

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 W Activeness Score
 W Activeness Score

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THE WHISKEYS DAILY NEWS

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THE MONEY REPORT

Getting Out
Near the Top
Is the TrickThe Bulls and Bears
Get Rich; It's Only
Pigs Who Go Broke

By Barbara Wall

The world's stock markets have a plentiful supply of "hot" growth stocks that have shot up on the back of favorable publicity, then plummeted just as rapidly when predicted double-digit growth rates failed to materialize. Even the most promising companies can fall short of market expectations.

"When the French clothing retailer Naf Naf went public in 1993," said Charles Elliott, an analyst with Goldman Sachs in London, "the stock price soared from 240 French francs (\$48) to 435 francs in a matter of months. There was a great deal of interest in the company as the management board had promised very high earnings growth. When it was subsequently reported that the company had been hit with extraordinary charges and, in addition, sales in France had dropped, the share price fell to a low of 60 francs."

The trick with growth stocks is knowing when to take the profits and run. Those who invested in European technology stocks at the beginning of the year may have been tempted to sell when prices started to slide in October. The share price of SAP, a German technology company that produces client server application software, rose from 100 Deutsche marks (\$71) in January to 264 DM in September, then fell back to 215 DM at the beginning of this month. If investors had bought shares in January and sold in October they would have still made a significant gain.

Nevertheless, Mr. Elliott said such actions would have been premature: "SAP and Nokia, the other genuine Euro-tech growth stock, still have a long way to go before growth rates start to tail off. The dip in share prices was a direct response to the recent beating experienced by technology stocks in the United States. The economic and company fundamentals for European technology stocks still remain very favorable."

The company price-earnings ratio—the price of the stock relative to its earnings—is just one of the criterion used by investors to determine the best time to buy and sell a growth stock. An extremely high p/e is widely considered a handicap to the stock.

Robert Barker, an analyst with UBS Securities in London, notes that p/e ratios tend to become inflated during high growth periods in the economic cycle. "Investors need to work out if the p/e is justified during these high growth periods, or if it is beginning to discount growth. A common approach is to study the company's p/e ratio at a similar point in the previous economic cycle. This should give some indication as to whether the stock is currently overvalued, fairly priced or undervalued," Mr. Barker said.

Doug Cliggott, a senior investment analyst with Merrill Lynch in New York, is skeptical of the benefits of comparative historical analysis. He says that p/e ratios can be distorted by interest rates and inflation levels.

"When one compares where the market is today with where it was, say, 25 years ago, one may not be comparing like with like. For example, p/e ratios for U.S. growth stocks during the 1990s are higher than in previous decades because of the low interest, low inflation environment," he said.

"As a rule of thumb, the best time to buy growth stocks is when the company p/e ratio is below the expected five-year earnings growth rate. Conversely, once the ratio goes well above the growth rate figure, prudent investors are generally advised to sell the stock, or, at least, reduce their position by selling a portion of the shares."

Performance of the
Biotech SectorCBOE Index of 15 leading biotech
technology companies listed on Nasdaq
and Amex vs. the S&P 500 Index

Biotech Stocks: Most of the Time, a Leap of Faith

By Digby Lerner

ONLY people with more money than sense would ever attempt making investment choices based on intuition and guesswork.

But to a large degree that is exactly what the biotechnology sector demands of investors. The trick is to back a company before it brings a successful new drug to the market, picking up on the inevitable boost this would bring to its share value. The problem is that investors often have little to go on with untried and untested companies, apart from blind faith.

That's not to say that there are typically more losers than winners buying into biotechnology. Over the last 12 years the sector has enjoyed a series of extended bull markets where profits soared. In the United States, starting in early 1985, biotechnology companies had 18 months of record growth. The same happened in 1989—only it then lasted two years.

The downside is that, when the market falls, it does so spectacularly. In 1987 the market plunged 25 percent. The most recent bull market ended with three consecutive corrections of 10 percent each. This year the sector has hit another bull run with the CBOE Biotech Index steadily outperforming the S&P 500 over the last

five months.

But what makes this sudden surge in share prices surprising is that it follows two and a half years during which biotechnology stocks seemed to be dead in the water. Following a meteoric rise late in 1992, biotech shares suddenly fell from grace in January 1993. Since then, despite the good run the sector has had recently, it has still to reach its 1993 peak.

Many analysts are convinced that despite the sector has plenty of room to fall, the current bull run has lots of steam left. Jeff R. Swarz, an analyst with CS First Boston in New York, says his confidence is based on the solid track records that several leading biotech companies are now able to show.

"The top companies in the United States, such as Amgen, Genzyme and Chiron, all now have products on the market," he said. "They have earnings histories, figures you can see, rather than just potential. They're now rapidly becoming established as some of the fastest growing pharmaceutical companies in the country. Amgen has seen its share-price grow 66 percent for the year to date."

Amgen markets two successful drugs, Neupogen, used in chemotherapy of cancers, and Epogen, which reduces the need for dialysis patients to undergo blood transfusions.

Genzyme developed a drug called

Ceredaze used for children afflicted by the formerly fatal Gaucher's disease.

As encouraging as this may sound, the sector is still dominated by biotech companies that have yet to make the grade. Against the five biggest companies that already have products on the market must be weighed the 220 listed biotech concerns in the United States that do not. These divide broadly into two types: those on the brink of bringing products to the market and those that remain only full of promise.

Gil Abramov, an analyst with D.H. Blair & Co., said that, unlike the top five, the second tier of biotech companies are far from sure bets. "There are plenty of up-and-coming companies that look like they're doing the right thing," he said. "Among them, I'd put companies like Advanced Tissue Services, Intermuneuro and Organic Genesis, all of which have drugs in later stages development."

But, he added, even these companies can come to grief if they fail to win approval from the Food and Drug Administration in Washington. "To avoid the pitfalls, you really have to pick stocks carefully, making sure to go for those with proven technology and good results."

The third tier of biotech shares is clearly out for the faint-hearted. These are the companies that are still several paces away from the big time, at best having drugs

only in the earliest stages of testing. Among them Mr. Abramov recommends Sepergeo and Cortex. By and large this area of the market is the most speculative, offering high levels of reward for investors backing the right company, but carrying with them an enormous amount of risk.

IN Britain the biotech sector is much younger and less well developed than in the United States, having only 15 listed shares. Of these only a few have put products on the market, and these tend to be diagnostic rather than drug treatments, making stock choice harder than in the United States.

Kevin Scotcher, a pharmaceutical analyst with Kleinwort Benson in London, says that in the absence of products investors should try to dig up companies with technology that looks promising combined with a management team with the skills needed to develop it fully.

"At the moment," Mr. Scotcher said, "stocks on both sides of the Atlantic are having a good run, providing plenty of growth. But it is still a very volatile area. He added that biotech stocks are an excellent way of adding some speculative top-spin to a portfolio but warned against going too heavily into the sector.

"If you're looking for just one market to get involved in," he said, "it shouldn't be biotechnology."

Zero-Coupon Bonds: An American Export That's Catching On

By Rupert Bruce

WITH nicknames like "cats" and "tigers" you might expect U.S. Treasury zero-coupon bonds to be less than safe investments. In fact, these bonds are the steadiest capital growth vehicles around.

Zero-coupon bonds provide no income; instead, they climb steadily in value until the Treasury redeems them at maturity.

Since the likes of Salomon Brothers and Merrill Lynch pioneered them in the early 1980s, they have become wildly popular among American investors. Over the years they have lost their catchy feline names and become plain Treasury zero-coupon bonds. Today they are a normal part of an American investor's portfolio.

"If you look at the mix of investments

that private clients make in the fixed-income markets, zeros are among the most popular and the most effective for achieving a lot of their goals. That is why the market has developed to such an extent," said Tom Naratill, a senior vice president of taxable fixed income at Paine Webber Inc. in New York. "They have really become an essential part of a total portfolio."

From the United States, the zero-coupon government bond swiftly spread to Canada where it is now equally popular. According to John Hamilton, a vice president in private client services at RBC Dominion Securities in Toronto, half the Canadians who buy personal pensions put zero-coupon bonds into their portfolios.

Soon investors all over Europe should also have access to these steady capital growth investments. They are already available in France, but hostile tax treat-

ment has prevented them from catching on. Britain and Spain have announced plans to introduce them, and other European countries have said they are considering it.

PAINE Webber's Mr. Naratill explained that what attracts investors to Treasury zeros is a powerful combination of certainty and flexibility. When investors buy zero coupons, they know that the government will redeem their bonds at a predetermined date for a set sum.

So an American investor who planned to retire in 2015, say, could buy a zero-coupon Treasury bond for \$272.50 to be redeemed in November 2015 in the knowledge that he would get \$1,000 then.

Because zero-coupon bonds are redeemed on a number of different dates each year, he adds, it is possible to time

Zero-Coupon Bonds			
Prices of zero-coupon U.S. Treasuries			
Maturity date	Current price	Yield	Face value
Nov. 15, 2000	\$750		\$1,000
Nov. 15, 2005	\$750		\$1,000
Nov. 15, 2015	\$272.50		\$1,000

Source: Paine Webber Inc.

your payout date to within a few months.

Someone saving for a child's college education, he says, could plan his investments so they paid out just before the fees for each semester fell due.

In Canada, Dominion's Mr. Hamilton said brokers similarly tailor packages of zero-coupon bonds to meet clients' re-

quirements. So a broker would buy zero-coupon bonds with gradually progressing redemption dates for a client who wanted a series of payments in early retirement.

In the United States, most investors put zeros into retirement accounts like Keoghs, Individual Retirement Accounts, or 401k plans. In Canada, they are put into Registered Retirement Savings Plans. In France bond traders blame a similarly hostile tax treatment for stifling the retail market for these bonds.

When investors in Europe do start to discover the beauties of zero-coupon bonds, Mr. Naratill has some advice for them.

"Be sure of your investment objectives," he said, "before you buy them." He added, "Be sure that you know whether you are buying them to hold until maturity for a long-term specific gain, or buying them for short-term speculation."

Chosen Carefully, Banks and Insurers Provide Opportunities

By Aline Sullivan

BANKS and insurance companies offer scant prospect of rapid growth, runs the conventional wisdom. But investors willing to take a closer look may find some rich seams in these well-quoted markets.

Headline-grabbing takeovers and mergers in the financial sector this year—most recently, Wells Fargo's \$10.3 billion hostile offer this week for First Interstate—have spotlighted the need to cut costs in order to maintain profitability. Revenues for most types of banking and insurance businesses are declining while expenditure on necessary technology is continuing to mount, making consolidation the most pragmatic strategy.

"There are so many suppliers of financial services now that the operating environment has become very tough," said Mark Hoge, a banking analyst with CS First Boston in London. "Banks are competing for lending with the capital markets, for deposits with insurers and for consumer credit with retail and manufacturing companies."

Insurers aren't having much fun, either. Lloyd's of London continues to struggle with its past, while many of the major companies are bemoaning their earlier international expansions but finding it hard to make substantial savings in costs.

Institutional investors acknowledge that these market conditions are hardly recipes

for growth. But they emphasize that some concerns, notably American banks and insurance companies, are cutting costs so sharply that they may generate considerable growth in the next few years. For example, Chemical Bank and Chase Manhattan in the United States expect their merger to slash annual costs by \$1.5 billion within three years.

"The group as a whole is not likely to show much growth, but some companies will," said Peter Sullivan, a strategist at Merrill Lynch in London. "Those that have completed successful rationalizations or developed businesses in the fast-growing economies outside the OECD will be the most attractive to investors."

At the top of many institutional investors' lists are the British banks Standard Chartered, which makes about 75 percent of its operating profit in emerging markets, and HSBC, which makes more than half its profits in the Asia Pacific region. ABN-Amro of the Netherlands is also frequently mentioned, because it has a substantial presence in the growing economies of Latin America.

The New York-based insurance giant American International Group has developed substantial operations throughout the Asia, Latin America and Eastern Europe. The Dutch insurers ING and Aegon have also been active in these regions, as well as developing strong presences in the United States. And Sweden's Skandia has made drastic cuts and restructured itself as the

dominant player in Scandinavia. Mr. Rudolph of Morgan Stanley also cites Axa of France and Zurich Insurance of Switzerland as concerns likely to grow substantially.

"These companies have done an outstanding job," he said. "Zurich established a strong presence in some specialized U.S. markets and Axa cut its exposure to France, which has long-term profitability problems, and diversified in the United States and Far East. Within the next five

years or so it should have only a third of its business in Europe, of which half will be in France, and a third in each of the other two regions."

Of course, there is room for growth in some developed economies. Angus Runciman, an insurance analyst at the London stockbrokerage Barclays de Zoete Wedd, expects the Italian insurers Generali and Alleanza and Mapfre Vida, the newly quoted life subsidiary of the Spanish insurance giant Corporación Mapfre, to benefit from

premium growth, thanks in part to surging demand for private pensions.

This trend will also benefit local banks in these countries, notably Credito Italiano and IMI in Italy.

"There will be tremendous growth in asset management as private pensions develop and investors diversify away from government securities," Mr. Hoge said. "Banks will benefit because equity management is a lot more profitable than money market management."

BRIEFCASE

Van Hedge Fund Advisors
Suggests Haven for Bears

Are you worried that shares and bonds are looking overpriced? If so, the safest place for your money is probably on deposit with a reliable bank. But if you want exposure to risk investment and are seeking to limit the downside, you might try hedge funds, according to Van Hedge Fund Advisors Inc., a research company based in Nashville, Tennessee.

The firm recently tracked the perfor-

mance of hedge funds against the average stock mutual fund and bond mutual fund over the six quarters between 1990 and 1994 when the S&P 500 lost ground. On average, hedge funds outperformed stock funds and did just a little worse than bond funds.

Lombard Odier & Cie.

Lombard Odier & Cie., a Swiss private bank, has expanded into Asia by opening an office in Hong Kong from which it will offer personalized asset management.

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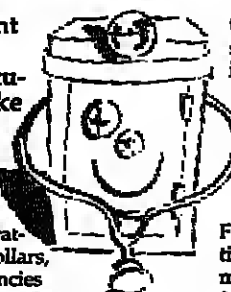
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SPORTS

Chilly Denver Welcome Awaits Red-Hot Chiefs

New York Times Service

Chiefs (6-1) at Broncos (4-3): Key stats: The Broncos have outscored their last two opponents 64-3. Tamarick Vanover has scored touchdowns on punt returns, kickoff returns and receptions. Comment: The Chiefs are off to their best start since they went 9-1 in 1969 and reached the Super Bowl. But the Broncos have proved unwelcoming hosts. The two AFC West rivals have split the series for the past three seasons but the Broncos have an 11-1 record at Mile High Stadium against the Chiefs since 1983. Denver has been on a streak the last two weeks. It's enough to throw a chill into the Chiefs. Odds makers favor the Broncos by 3 points.

Jets (1-6) at Dolphins (4-2): Key stats: The Jets are next-to-last in the league in points scored (103) and last in points allowed (204).

NFL MATCHUPS

The Dolphins defense is second in the league against the run (88.2 yards a game).

Comment: The Dolphins want to rebound from two straight losses, the Jets from an abysmal season that hit a low last week when they lost to Carolina. Dan Marino (knee) is doubtful. Boomer Esiason (concussion) is out. But the Dolphins are in much better shape to turn their fortunes around than the Jets. No line.

Falcons (4-2) at Buccaneers (5-2): Key stats: Chris Doleman leads the NFC in sacks with 6.5. Trent Dilfer has thrown 93 passes (over four games) without an interception.

Comment: Tampa Bay and Atlanta are similar teams. No one is sure whether their records are accurate reflections of how good they really are. The Bucs are on a roll and top the NFC Central division for the first time since 1979. They're not an exceptionally strong team offensively, but the defense has limited opponents to 105 points — second fewest in the league behind the 49ers. Falcons kicker Morten Andersen is one of the greatest equalizers in the league. He could be the edge the Falcons need. Buccaneers by 3.

Lions (2-4) vs. Redskins (2-5): Key stats: The Lions are averaging five yards per rushing attempt — the best in the league. Washington's average drive starts at the 33-yard line, which is the best offensive starting field position in the NFL.

Comment: This game will showcase two of the best running backs in the league: Barry Sanders of the Lions and the Redskins Terry Allen. But it could be the passing games that decide the day. Scott Mitchell has developed a nice connection with receivers Herman Moore and Brett Perimeter. Gus Fretton has some good targets in rookie Michael Westbrook and veteran Henry Ellard. The Lions have never beaten the Redskins in Washington. It won't happen now. Lions by 1.

Oilers (2-4) at Bears (4-2): Key stats: The Oilers lead the AFC in third down conversions (49.5 percent of attempts). Receiver Curtis Cooey's seven touchdown catches tie him with Carl Pickens for the most in the league.

Comment: Quarterback Erik Kramer has thrown 14 touchdown passes, which ties him with Steve Bono for the most in the league. Kramer will have to display a deft passing touch against the Oilers, because they have the third best pass defense in the AFC. Chris Chandler isn't a slouch in passing either, but he'll be throwing against cornerback Donnell Woolford, whose four interceptions tie him for the league lead. The Bears are 4-1 against their last five AFC opponents. They'll notch another victory. Bears by 8.

Jaguars (2-5) at Browns (3-3): Key stats: The Jaguars 62.5 percent touchdown-conversion rate inside the red zone leads the AFC. The Browns' Vinny Testaverde has not thrown an interception in 168 attempts, the best among active quarterbacks.

Comment: The Browns entered the season as a Super Bowl hopeful, but have stumbled. They had a bye week to regroup. The Jaguars are no longer paties. Mark Brunell threw for over 300 yards in a close loss to the Bears last week and seems to have gotten in a better rhythm with the

offense. Cleveland has yielded just 12 touchdowns at home over the last two years. This won't be a breather for the Browns, but they'll get past Jacksonville. Browns by 13.

Saints (1-5) at Panthers (1-5): Key stats: Tico Santos have at least one sack, best in the NFL. The Panthers have made the fewest first downs in the league (89) and are last in third down conversion (31.5 percent).

Comment: Both teams gained their first victories of the season last week. The Saints results are inexplicable given the way Jim Everett has been passing. He has thrown 13 touchdowns, second in the NFL. Until the Panthers met the Jets last week, they were just a hapless expansion team. Everett and the Saints pressure defense will reduce them to that state again. Saints by 3.

49ers (4-2) at Rams (5-1): Key stats: The 49ers defense has given up just two touchdowns to opposing offenses inside the red zone. Of Ram Isaac Bruce's 36 receptions, 30 have been for first downs (six touchdowns).

Comment: All eyes will be on Elvis Grbac, who replaces Steve Young and makes his first NFL start. If he can't run the offense as well as Young, the 49ers are going to be in serious trouble for the next month. That will be enough time for the Rams, leaders of the NFC West, to get a stranglehold on the division. This game will determine whether the Rams take that first step. The Rams defense would have tested Young's ability. Grbac is in for a rough day. No line.

Colts (4-2) at Raiders (5-2): Key stats: Receiver Daryl Hobbs averages 24.6 yards per third down reception (eight catches for 197 yards). Colts quarterback Jim Harbaugh is completing 67.2 percent of his passes in the fourth quarter and has thrown five TDs and no interceptions.

Comment: Raiders' quarterback Jeff Hostetler sustained a compression fracture in his neck against the Broncos on Monday. He will be replaced by 40-year-old Vince Evans. The Raiders offense was shut out by the Broncos. Without Hostetler, they'll face an even tougher time against a Colts' squad that continues to stun teams. Raiders by 7.

Vikings (3-3) at Packers (4-2): Key stats: Green Bay is converting 50 percent of its third down attempts — best in the league. The Vikings have 10 interceptions and nine players have at least one interception.

Comment: This is an opportunity for the Packers to put a little distance between themselves and the Vikings in the NFC Central division. Minnesota is coming off a tough overtime loss to Tampa Bay and things won't get any easier for them this week. Green Bay has the NFC's No. 3 ranked pass defense and Reggie White could put a lot of pressure on Vikings quarterback Warren Moon. Packers by 4½.

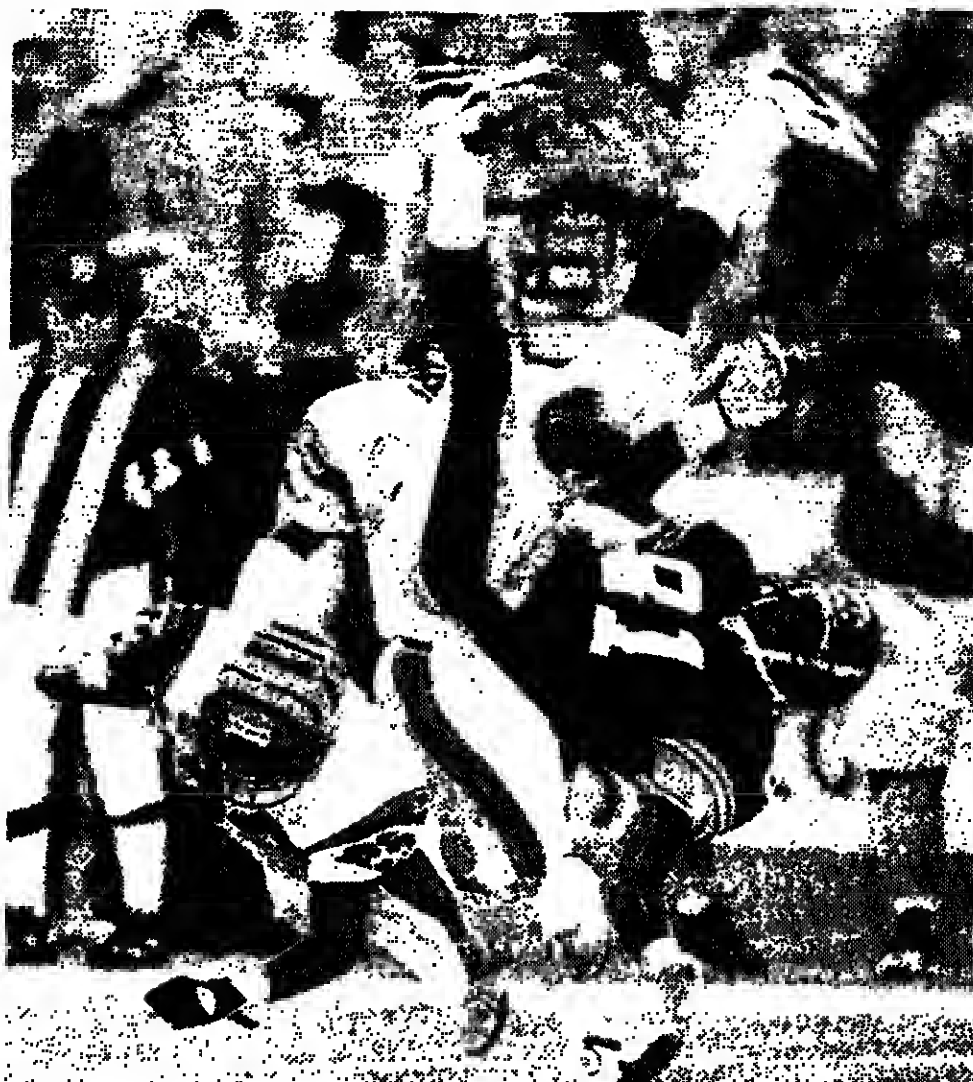
Chargers (3-4) at Seahawks (2-4): Key stats: Chargers' back Natrone Means has accounted for 37 first downs (36 rushing, 1 receiving) — the most in the league. The Seahawks are No. 29 in the league in sacks with 7.

Comment: The absence of Stan Humphries last week hurt the Chargers. Humphries is listed as questionable with a shoulder injury but practiced this week and could play. He will be needed. The Chargers will be without cornerback Darrien Gordon. That could work in Seattle's favor. However, under Coach Bobby Ross, the Chargers are 6-1 against Seattle. Chargers by 2.

Bills (5-1) at Patriots (1-5): Key stats: The Patriots have sacked Jim Kelly 43 times — the most by any team. The Bills offensive line has allowed just four sacks in the last five games.

Comment: Coach Mark Levy is recovering from prostate surgery and for the next four games he will be replaced on the sidelines by Elijah Pitts, the assistant head coach and running backs coach. Might we see more of Thurman Thomas? Wouldn't be a bad move against the Patriots. New England showed signs of life last week. The Bills, 8-3 on Monday night since 1991, will slow their progress this week. Bills by 1.

Matchups by Timothy W. Smith of The New York Times. Odds provided by Harrah's.



The Steelers' Charles Johnson was sent flying by Corey Sawyer for an incomplete pass.

Blake and Bengals Demolish Steelers

The Associated Press

PITTSBURGH — The Cincinnati Bengals can't win close games in the fourth quarter, so quarterback Jeff Blake made sure it was won sooner.

Blake worked over Pittsburgh's patchwork secondary like a longtime pro rather than a second-year starter, throwing three touchdown passes as the Bengals dominated the Steelers, 27-9, on Thursday night.

Cincinnati (3-4) hadn't beaten Pittsburgh (3-4) in eight National Football League games — or since the Chuck Noll era — and had never before won an AFC Central road game in David Shula's three-plus seasons as coach.

The Steelers' fourth loss in five games signals a low point in Bill Cowher's reign as coach. They haven't been under .500 so late in a season since Noll's final season as coach in 1991, and had so dominated Cincinnati that the Bengals hadn't scored more than 16 points against them since 1990.

The Bengals opened a 24-6 lead in the third quarter, allowing Blake to keep the ball on the ground after that. By then, Blake had hit each of his three productive wide receivers — Darnay Scott, Tony McGee and Carl Pickens — for touchdowns against a Steelers secondary

that clearly misses the injured Rod Woodson.

All three scores came against Avoid Mays, who replaced Woodson when the all-star badly injured his right knee just eight plays into the season.

Blake, whose ratio of 15 TD passes to four interceptions is the NFL's best, just missed hitting Scott on a long-bomb pass on the Bengals' third possession. But, clearly confident he could go deep, Blake found Scott behind Mays for a 47-yard touchdown pass play on the Bengals' next possession for a 7-0 lead at 9:06 of the second.

Blake finished 18 of 22 for 275 yards and wasn't sacked once or intercepted once by a defense that led the NFL in both categories last season.

After field goals by Pittsburgh's Norm Johnson and the Bengals' Lee Polley, Blake scrambled for 10 yards for a first down to the Steelers' 12, then hit McGee on a 12-yard touchdown pass.

Blake pushed it to 24-6 with a 41-yard scoring pass to Pickens at 4:37 of the third.

Before that, Johnson missed two mid-range field goals as the Steelers struggled again inside the 20-yard line. The Steelers managed only four trips inside the 20.

SCOREBOARD

FOOTBALL

NFL Standings

AMERICAN CONFERENCE

Team	W	L	T	Pct.	PF	PA
Buffalo	5	1	0	.833	136	95
Indianapolis	4	2	0	.667	128	127
Miami	4	2	0	.667	173	110
New England	1	5	0	.167	69	160
N.Y. Jets	1	4	0	.143	103	204

NATIONAL CONFERENCE

Team	W	L	T	Pct.	PF	PA
Cleveland	3	3	0	.500	124	167
Cincinnati	3	4	0	.429	147	167
Pittsburgh	3	4	0	.429	147	167
Houston	2	4	0	.333	105	119
Jacksonville	2	5	0	.286	138	147

THURSDAY'S RESULTS

Team	Score	Team	Score
Edmonton 45, Birmingham 18		San Antonio 25, St. Louis 26	

x-Clashed playoff berth

Team	W	L	T	Pct.	PF	PA
San Antonio	11	4	0	.882	415	22
Birmingham	10	7	0	.588	472	20
Memphis	8	0	0	1.000	304	16
Shreveport	5	13	0	.445	514	10

HOCKEY

NHL Standings

EASTERN CONFERENCE

Team	W	L	T	Pct.	GF	GA
New Jersey	4	0	0	1.000	20	10
Philadelphia	4	0	0	1.000	16	11
Washington	4	0	0	1.000	16	11
Florida	4	0	0	1.000	16	11
N.Y. Rangers	3	2	0	.600	19	14

NORTHWEST DIVISION

Team	W	L	T	Pct.	GF	GA
Hartford	4	0	0	1.000	15	9
San Jose	3	2	0	.600	26	22
Pittsburgh	2	1	0	.500	16	16
Buffalo	2	2	0	.444	14	15
Chicago	2	2	0	.444	14	15

WESTERN CONFERENCE

Team	W	L	T	Pct.	GF	GA
Los Angeles	3	2	0	.600	29	28
San Jose	3	2	0	.600	29	28
St. Louis	3	2	0	.600	29	28
Dallas	3	2	0	.600	29	28
Toronto	2	3	0	.400	17	23

THURSDAY'S RESULTS

Team	Score	Team	Score
Edmonton 45, Birmingham 18		San Antonio 25, St. Louis 26	

CFL Standings

Team	W	L	T	Pct.	PF	PA
North Division	12	5	0	.706	339	28
South Division	12	5	0	.706	339	28
Green Bay	9	7	0	.563	415	18
San Francisco	8	8	0	.500	405	16
Seattle	6	10	0	.385	402	12

THURSDAY'S RESULTS

Team	Score	Team	Score
Edmonton 45, Birmingham 18		San Antonio 25, St. Louis 26	

NBA Preseason

Team	Score	Team	Score
Charlotte 104, Denver 94		Orlando 116, Milwaukee 106	
Utah 97, New York 86		Atlanta 106, Toronto 105, OT	

SOCCER

Team	Score	Team	Score
Argentina 2, England 1		Venezuela 1, Paraguay 0	
Uruguay 1, Mexico 0		Colombia 1, Ecuador 0	

EUROPEAN CUP WINNERS' CUP

Team	Score	Team	Score
Argentina 2, England 1		Venezuela 1, Paraguay 0	
Uruguay 1, Mexico 0		Colombia 1, Ecuador 0	

EUROPEAN CUP WINNERS' CUP

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EUROPEAN CUP WINNERS' CUP

Team	Score	Team	Score
Argentina 2, England 1		Venezuela 1, Paraguay 0	
Uruguay 1, Mexico 0		Colombia 1, Ecuador 0	

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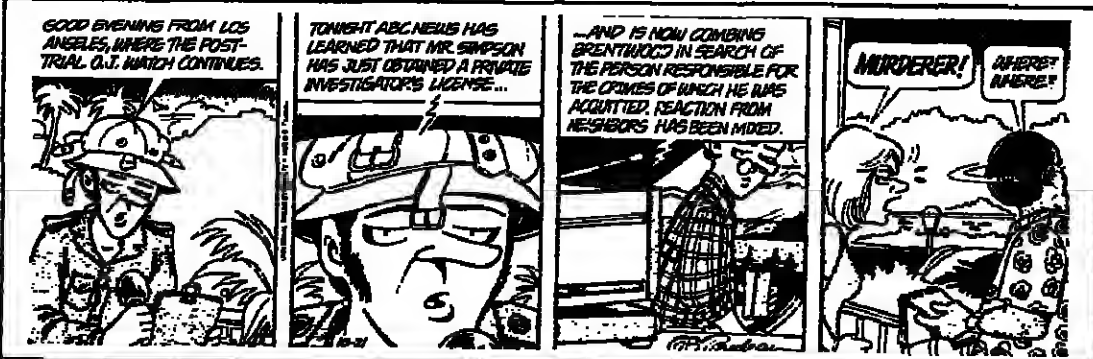
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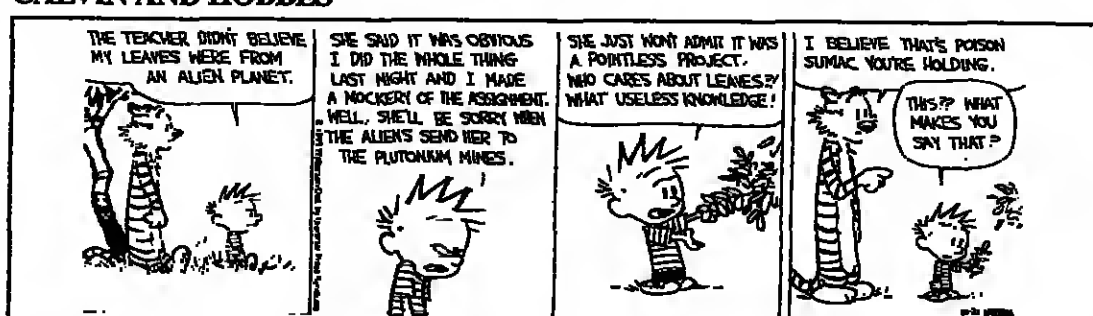
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JUMBLE

Unscramble these four words to form a sentence. Use the letters in the words to form a sentence.

AMMIX SCABI GLANET YARREP

Now arrange the letters to form a sentence. Use the letters in the words to form a sentence.

Print answer here: _____

Yesterday's Answer: DOUSE LOVER FINERY FILET

Answer: What the definition of the word is: OFFENSIVE

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WORLD SERIES SCHEDULE

All Times EDT
Saturday, Oct. 21
Cleveland at Atlanta, 7:20 P.M.
Sunday, Oct. 22
Cleveland at Atlanta, 7:20 P.M.
Tuesday, Oct. 24
Atlanta at Cleveland, 8:20 P.M.
Wednesday, Oct. 25
Atlanta at Cleveland, 8:20 P.M.
Thursday, Oct. 26
Atlanta at Cleveland, 8:20 P.M.
Saturday, Oct. 28
Cleveland at Atlanta, 7:20 P.M.
Sunday, Oct. 29
Cleveland at Atlanta, 7:20 P.M.
*If necessary

The Armed Forces Radio and Television Network will broadcast games at military installations throughout the world.

EUROPE
NBC SuperChannel will telecast games throughout Europe. Local broadcasts include:
Belgium — Supersport Cable.
Czech Republic — CTU.
Germany — DSF.
Hungary — MTV.
Italy — Telepiu.
Luxembourg — Supersport Cable.
Netherlands — Supersport Cable, NOS.
Spain — Canal Plus.
ESPN International will televise games throughout Asia, the Middle East, Latin America and Africa. Local broadcasts include:
ASIA
Guam — Guam TV.
Japan — NHK.
Taiwan — TVBS.

MIDDLE EAST
Israel — ICP Cable.
LATIN AMERICA
Columbia — Olimpia Television.
Costa Rica — Canal 7.
Curaçao — TeleCuraçao.
El Salvador — Canal Cuatro TV.
Honduras — Compania Televisora Hondureña, Ch.5.
Mexico — Televisa.
Nicaragua — Telecentro de Nicaragua Ch. 2.
Panama — Televisora Nacional, Ch. 2.
Puerto Rico — Teleonce, Ch. 7, 11 (Estrella Brillante).
Venezuela — Telegen.

AFRICA
South Africa — SABC.
*Check local listings for times.

The World Series: For Once, a Meeting of Baseball's Finest



The statistics don't back Indians catcher Tony Peña's view of Cleveland's pitching staff.

The Associated Press

For the first time since 1986, the teams with the two best records in baseball meet in the World Series. Cleveland, which won 100 games in the regular season, makes its first appearance since 1954. Atlanta, which won 90 games, has reached the postseason four straight times but never won the title. More often than not, October champions are decided by pitching. Whichever team can hold a lead in the late innings will win.

Here is how the teams match up, position by position.

First Base

Indians: Eddie Murray batted .323, reached the 3,000-hit mark and finished the season with 479 career homers. Appeared in the World Series in 1979 and 1983 with Baltimore and hit .196. He is a switch-hitter and his .340 average against right-handers was highest in A.L. At 39, he started only 18 games at first base, playing the rest at DH. He will play in the field in Atlanta. In Cleveland he will be DH and either lefty Paul Sorrento (25 HR in 104 games) or rookie righty Herbert Perry (315 in 52 games) will play in the field in Cleveland.

Braves: Fred McGriff hit .382 in the playoffs with six extra-base hits and six RBIs in eight games. He is one of the most consistent power hitters in the majors. He has never been in the World Series.

Second Base

Indians: Carlos Baerga provides pop from both sides of the plate. He has been an All-Star for three straight years and has

hit more than 310 each season. He hit .400 against Seattle in the playoffs. His strong arm makes up for some misfields.

Braves: Little Mark Lemke has been big in the World Series, batting .326 in 1991-92. Known for defense, especially double plays. Made only five errors this year.

Shortstop

Indians: Omar Vizquel is something special in the field. A two-time Gold Glove, he sometimes fields grounders with his bare hand. He hits second in lineup because of his bat control and speed (29 stolen bases).

Braves: Jeff Blauser is hoping to make up for a poor regular season (.211) and disappointing World Series in past (0 RBIs in 11 games). He is bothered by a bruised thigh and slick-fielding Rafael Belliard could take his place in some games.

Third Base

Indians: Jim Thome is a hitter, not a fielder. He batted .314 with 25 homers during season and homered twice against Seattle. He is a left-handed hitter and sat when Randy Johnson pitched in playoffs; Alvaro Espinoza, a better fielder but not nearly as good a hitter, starts occasionally against lefties.

Braves: Chipper Jones will either be NL rookie of the year or a close second to Dodgers' pitcher Hideo Nomo. Jones is just 23 but the switch-hitter has been the Braves' best player in postseason, batting .438 with three homers. He has improved on defense throughout the season and is already among the league's best.

Left Field

Indians: Albert Belle may be the most fearsome hitter in baseball, made even more ferocious by his scowl at the plate. He powered the team that led the majors in hitting, scoring and home runs: hitting 50 home runs and 52 doubles. This made him the first player with 100 extra-base hits since Stan Musial in 1948. He is the first Indians player to lead majors in homers.

Braves: Ryan Klesko feasts on righties, he hit all but three of his 23 home runs against them. He was 0-for-7 in the four-game sweep of Reds. Mike Devereaux, a much better fielder, started ahead of Klesko against lefties and became NL playoffs MVP. All four Cleveland starters are righties.

Center Field

Indians: Kenny Lofton might be the most exciting player in the majors. The lead-off man hit .458 against Seattle, reached base in 17 of 30 plate appearances and streaked home from second base to score on a passed ball in the clinching game. Lofton batted .310 and led the league in steals for the fourth straight year. He is a spectacular fielder: covering gaps and climbing walls.

Braves: Marquis Grissom, finally getting a chance to star in the postseason, has quickly made up for a solid-not-sensational first year in Atlanta. He batted .400 with three homers in playoffs. He fields very shallow, cutting off runners from scoring from second on singles.

Right Field

Indians: Manny Ramirez, 23, made the All-Star team then slumped before hitting two home runs against Seattle in the playoffs. Ramirez batted .308 with 31 homers and 107 RBIs and hit .407 against lefties. He has a good arm, once he catches the ball.

Braves: David Justice, slowed by a sore right knee, has only one RBI in the playoffs. He is a .217 hitter with three home runs in 13 World Series games and a steady fielder, another reason why Braves are better with gloves.

Catcher

Indians: Sandy Alomar is a three-time All-Star despite frequent injuries. He did not start in two games against Seattle because of a sore neck. Tony Peña is a capable backup at 38; he hit home run in 13th inning to beat Boston in Game one in first round.

Braves: Young Javier Lopez has grown into role of catching veteran staff. He shows pop at the plate. Charlie O'Brien catches Greg Maddux, expertly

framing pitches on corners that umpires call strikes.

Pitchers

Indians: Cleveland led league in ERA (3.83) and posted an AL playoff record 1.64 ERA against Seattle. Orel Hershiser, the first player to win the playoff MVP in both leagues, is 7-0 in postseason, a record. Dennis Martinez, 40, out-dueled Randy Johnson to beat Seattle. Charles Nagy tied Hershiser for the team lead with 16 victories. Ken Hill pitched shutout ball in his only start in the postseason. Hershiser, Martinez and Hill are former NL All-Stars familiar with Braves: Hershiser was 20-9 lifetime against Atlanta while with Los Angeles.

Braves: Led the majors in ERA (3.44). Maddux, the most precise pitcher of his time, put aside past postseason disappointments and helped the Braves limit the Reds to five runs in four games. Former Cy Young winner Tom Glavine and former NL playoff MVPs John Smoltz and Steve Avery are also pitching well. Maddux and Smoltz are righties, Glavine and Avery—who may or may not start—are lefties.

Bullpen

Indians: Jose Mesa led the majors with 46 saves, compiling 0.55 ERA in his last 49 games. He has a live fastball and a nasty, dropping forkball. Used one inning at a time. Paul Assenmacher, who leads the majors in appearances over the last five years, shuts down lefties such as Ken Griffey Jr. Young Julian Tavarez and Alan Embree throw hard.

Braves: Mark Wohlers may be the stopper that Atlanta needed in World Series past. He throws at nearly 100 mph and has pitched in seven of eight playoff games. He could be the key to the whole series. Rejuvenated Alejandro Pena, sideman Brad Clontz and sinkerballer Greg McMichael fill out a strong bullpen.

Bench

Indians: Cleveland's pinch-hitters are nondescript and batted just .163. Wayne Kirby has speed. The most interesting player on bench is Dave Winfield, who is not on the post-season roster.

Braves: The Atlanta bench is talented and deep. It includes Devereaux and Luis Polonia, who are likely to DH at Jacobs Field. Dwight Smith is a professional hitter, Mike Mordecai got key hits to win games, Belliard is strong at shortstop.

As Bologna Races to Finals, Dialogue Scores Flashy Points

By Ian Thomsen
International Herald Tribune

LONDON — Orlando Woolridge comes from the place where Arjan Komazec wants to go. It was as though they were speaking to each other throughout their 102-96 semifinal victory over Real Madrid Friday night in the McDonald's Championship.

Like this? Komazec, the 25-year-old guard of Buckler Bologna, seemed to be saying with each pure flick of the wrist for his 30 points.

Yes, but don't forget this! Woolridge, the 35-year-old veter-

eran of the National Basketball Association, seemed to be answering with his smile.

But Woolridge's lecture was based on more than enthusiasm. There were 27 points, 11 rebounds and two blocked shots to protect Bologna's lead in the final minute. It was 97-95 when José Miguel Antunez, who helped Madrid win the European championship last season, saw his drive tipped away as if Woolridge were trying to flick it over a different game's crossbar. Next time down, the Bologna lead still just three points.

Woolridge rejected a drive by Mike Smith, who was

winning the European championship himself with Juventus Badalona two years ago.

The victory put Bologna into its second straight McDonald's final. Barring an unnatural disaster, the Italian champions were set to meet the Houston Rockets, defending National Basketball Association champion, in the final Saturday.

Though Hakeem Olajuwon wasn't available after recent elbow surgery, and his teammates had played just three exhibition games this season, the Rockets opened up a 19-point lead in the second quarter. Then they grew a little bit bored, and

Perth responded with a 14-2 run that inspired the large crowd at London Arena.

It was 51-42 at the half when Houston coach Rudy Tomjanovich was no doubt reminding his players that no NBA team had ever lost in this tournament, which in its seventh meeting now has become an unofficial world championship for clubs. His lads responded, opening up a 30-point lead as the game neared its end.

The improvement for Bologna since 1993 seems to come from Woolridge's energy and desire to run.

Bologna was up 62-58 after

an entertaining half, but the defenses tightened as both teams moved closer to Houston. Say (29 points) kept Madrid within a point (90-89) with five minutes left, at which time Woolridge banked in a leaper and Komazec turned one around from the perimeter for a five-point buffer that held.

The loss was a rare disappointment for Madrid's Zeljko Obradovic, the hottest coach overseas with three European titles (all with different clubs) in the last four years. His club was already looking forward to the final as it was beating host Sheffield Sharks, 99-71, on Thursday night. The Madrid director, Pedro Ferrandiz, who is the Spanish equivalent of Red Auerbach, was standing up from the audience, microphone

in hand, and hijacking a press conference, demanding that his club be allowed to use all three of its foreigners should it qualify for the final against Houston. He was arguing that the rules unfair benefited the Rockets who could, theoretically, use as many foreigners as it liked.

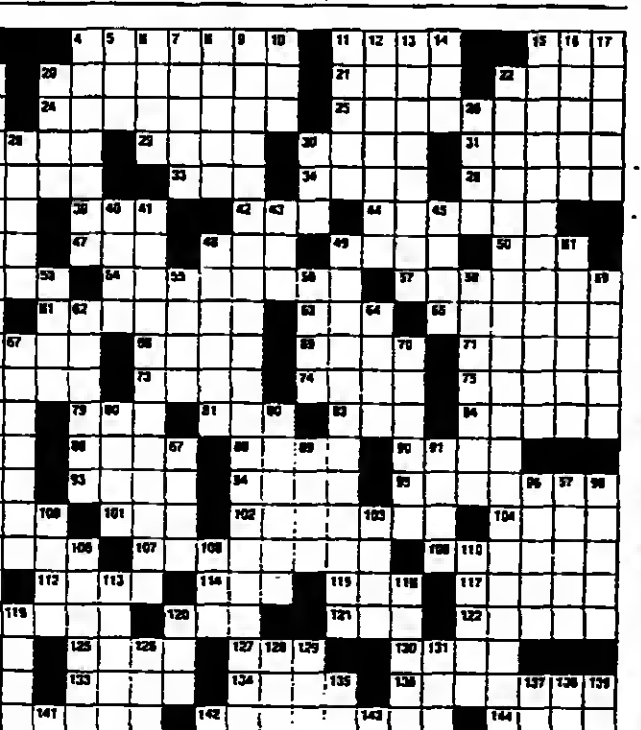
The extraordinary thing happened when the general secretary of FIBA, the international basketball federation, agreed goodnaturedly to negotiate with the hijacker. "This is not an official competition, it is by invitation with the idea of trying to promote basketball," Borislav Stankovic said.

But Madrid tripped along the way. The semifinal turned out to be a more difficult argument than Ferrandiz vs. Stankovic.

APPROPRIATELY PUT By Matt Gaffney

- ACROSS
1 Biblical transport
4 Comedians, often
11 War
15 Fresh Prince medium
18 Covert
20 Couldn't stand
21 Hoof sound
22 Handel opera
23 So
24 Object of a onetime search
25 Stomach ailment
27 Composition type
29 Be inclined
30 Due
31 Euro meeting spots
32 Mathematician
33 Turing
34 Words of comparison
35 Revolutionary period
36 Like gymnasts
38 Barrel part
39 Eton figure
42 First U.N. Secretary General

- 44 Book with a Mass audience
46 Communicate with quickly
47 Modern money
48 Alphabet sequence
49 Showy
50 And more
52 "Othello" character
54 Home project
55 Aspen business
56 Site for stained-glass windows
61 70's pop groupers
63 Grog
65 Einstein or Fermi, e.g.
66 Pulp
68 Allego
69 Newspaper publisher
70 Betelgeuse's constellation
72 — mouthful
73 One looking for a match?
74 Shah name
75 Mercury project hero



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U.S. in Dunhill Cup Bunker

The Associated Press

ST. ANDREWS, Scotland — The United States, the top seed, and Canada, the holder, lost hope of winning golf's Dunhill Cup on Friday.

The U.S. trio needed a 3-0 victory to stay in the hunt but the Swedish Ryder Cup player Per-Ulrik Johansson birdied the first hole of a sudden-death playoff to beat Lee Janzen and limited the Americans to a 2-1 group victory. (See Scoreboard)

Ireland put out Canada by the same margin and plays Sweden for a place in the semifinals. Janzen trailed Johansson by three strokes with two holes to play but the Swede double-bogeyed the "Road Hole" 17th after hitting into the bunker and then three-putted. Janzen birdied the last to square the match and force extra holes.

"I never hit my sand wedge more than 90 yards," said Janzen, after leaving himself a 20-foot putt which he missed to lose the match when Johansson birdied from four feet. "This time I hit it 110 yards."

Despite a two-shot penalty for the U.S. Masters champion Ben Crenshaw on the 17th, he beat Jarmo Sandelin 67-69. Crenshaw failed to declare his second tee shot provisional on the 17th when he thought his first had gone out of bounds.

When he found the first ball in play, he still

had to hit the second. Crenshaw said: "I didn't think the first ball had a chance in hell of being in bounds. Jarmo was well within his rights when he said I had not declared the second ball a provisional. It is a rule."

Peter Jacobsen also shot 67 to overcome Jesper Parnevik by four shots.

England was also eliminated from contention. The English lost 2-1 to Argentina in group four, their second defeat. José Coceres scored a sink green 73-74 victory over Mark James to sink England.

Greg Norman, the world's top-ranked player, returned to form after his first-day loss to Coceres and shot 67 with five birdies on the back nine to beat Miguel Jimenez by one stroke as Australia defeated Spain 2-1.

If Australia wins its last tie against England, it will make the last four. Argentina must beat Spain and hope Australia loses.

In group three, Zimbabwe beat Japan 2-1 as Mark McNulty shot 66 and Nick Price 68 to win. But Wales, which upset New Zealand 3-0, and New Zealand still have chances of winning the group.

Scotland and South Africa each won for the second time in group two and will square off for a semifinal place.

Cardinals Woo A's La Russa

The Associated Press

ST. LOUIS — The Cardinals have made a multi-year offer to Oakland A's manager, Tony La Russa, the St. Louis Post-Dispatch reported Friday.

The Baltimore Orioles also have expressed interest in La Russa, but the Cardinals general manager, Walt Jocketty, said he didn't think La Russa had much interest in them.

La Russa has an agreement allowing him to leave the last two years of his Oakland contract because the team has been sold.

Jocketty said only that the St. Louis offer was competitive. La Russa makes a reported \$1.25 million a year in Oakland, where he has managed since 1986.

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DAVE BARRY

On the Powell Bandwagon

MIAMI — Several months ago, I announced that I was willing to run for president of the United States and shoulder the immense crushing burden of accepting your cash contributions. Today I wish to reveal, in specific detail, exactly where I stand on the issues. Ready? Here goes:

I agree with Colin Powell. I say this because, according to the polls, the public is crazy nuts in love with Colin Powell, despite the fact that the average voter has no clue what he thinks about anything. Consider your own personal self. I bet you have positive feelings toward Colin Powell, but have you actually read his book? I didn't think so. Perhaps it would surprise you to learn that, on Page 23, this statement appears: "Everything was fine until 1953, when I was kidnapped by telepathic clams from another dimension." And consider this statement, on Page 159: "One thing I definitely believe is, everybody should have sex with vegetables."

Is that the kind of person you want as your president? Me too! Unfortunately, I made these quotations up. But my point is that the voters have no idea what views Colin holds, and this is exactly why they like him. He doesn't bore them by droning away about the issues. Voters hate issues. Look what happened to Pete Wilson of California, who sings the high part in "Help Me, Rhonda."

No, wait, that's BRIAN Wilson of California. Pete Wilson is the governor, and he wanted to be president, and he kept scheduling these major public events wherein he announced his candidacy; he'd give his Big Policy Speech, and then he'd wait for the groundswell of popular support, and... and NOTHING HAPPENED. So Pete had to announce his candidacy AGAIN. He announced it about 37 times. Finally Pete gave up and dropped out.

You don't see Colin Powell and me stooping to that level. You see us staying up above the fray, acting statespersonlike, weighing our options, maintaining our dignity and gracefully handing out Cabinet posts in exchange for cash contributions. Or at least I am. Colin has not reached that level of statespersonship yet. So if you were planning to send a contribution to him, just to be on the safe side you'd better send it to me instead, and if he gets into the race I'll make sure he receives every single penny that is left over at that point.

I do want to say one thing: I am in favor of the elderly. You hear a lot of talk these days about how the government cannot afford to keep giving more and more billions of dollars in Medicare and Social Security benefits to the elderly, especially to the wealthy, golf-playing, boat-owning, Lincoln-driving, mansion-dwelling, servant-lashing elderly. Well, here's what I say: I personally am well on my way to elderlyhood, and if I'm going to suffer from joint pain, gum disease, vision loss, irregularity, bladder malfunction, prostate disorders, hemorrhoidal swelling and an inextinguishable fondness for "Murder, She Wrote," then by gosh I WANT MONEY FROM THE GOVERNMENT.

At this point you're saying: "But Dave, the federal government is already running a horrendous deficit! Where's the money going to come from?"

Simple: We'll raise income taxes. WAIT! COME BACK! I don't mean we'll raise income taxes on US. My plan is to raise income taxes on PEOPLE IN FOREIGN COUNTRIES.

Why would they pay? I can answer that question with three words: "Internal Revenue Service." You know those incomprehensible letters that you sometimes get from the IRS, saying that you owe them money? And you know how you always pay the money, even if you have no idea why, because you're afraid?

Well, why wouldn't that same fund-raising technique work on residents of other nations? We have the scariest IRS in the world, dam it, and I say we use it! We could have the IRS send incomprehensible tax-due letters to everybody in, say, France, and then we'd just sit back and watch the money pour in. If any French persons balked at paying, we would send an Air Force bomber over there, open the doors, and drop: an auditor. Just the sight of him, swinging from his parachute, holding his 147-volume set of the Simplified U.S. Tax Code, should be enough to ensure total compliance.

That's where I stand on the issue of giving more money to the elderly without anybody you know having to pay for it, and I'm sure that I speak for Colin when I say, "Speaking of money, for ease of book-keeping, we prefer a larger denomination of bill." Thank you, America, for being you. Knight-Ridder Newspapers.

The Magician Who Lost His Name

International Herald Tribune

PARIS — Jean Giraudoux wrote that as soon as man cast off his age-old belief in magic the scientific blessings of electric current came along: a foggy and high-faluting notion nonetheless proved by Jean Eugène Robert-Houdin (1805-71), who took the sorcery out of magic, created both the costume and repertoire of modern illusionists, and late in life invented a pre-Edison incandescent lightbulb.

No longer a household name except to professionals (David Copperfield paid homage at his tomb near Blois, in

MARY BLUME

the chateau country), Robert-Houdin is the subject of an exhibition at the Musée d'Orsay and his massive memoirs, "Confidences d'un prestidigitateur," have just been reissued by Stock. They are subtitled "Une Vie d'artiste."

A most respectable artist who took magic out of the streets and sidewalks and opened his own theater in the Palais Royal where he purveyed genteel astonishments soberly clad in white tie and tails (his predecessors and rivals were gaudier and gave themselves such names as The Great Wizard of the North). He dazzled Louis-Philippe and Queen Victoria, was praised by Dickens in Household Words, was sketched by Doré and was invited to contribute to the Grand Dictionnaire Universel of Pierre Larousse. Sirens are named after him in Paris and the provinces.

Perhaps his greatest triumph occurred offstage in 1856 when the French Army, during the conquest of Algeria, called on him to subdue Kabyle rebels, which he did by extracting five-franc pieces from their noses. Posthumously, he received a backhanded compliment when an ambitious magician named Erich Weiss sought publicity in a book called "The Unmaking of Robert-Houdin: The Truth about Magic" but chose a stage name that echoed Houdin's: Houdini.

There was nothing about Robert-Houdin to unmask: a dignified family man with the marmoreal features of a Roman bust, he despised trickery and relied on a strict work ethic and mental, as well as manual, skill to produce his effects. He was proud of bringing magic to the salon and to the theater and out of the hands of common, skills, sorcerers and expert players of the shell game which had been a street amusement since the Middle Ages. He encapsulated his century — romantic and rational, at home with both the mysteries of the spirit and the triumphs of the engineer.

By training a clockmaker like his father before him, Robert-Houdin showed an early ingenuity at making inexplicably, one might say magically, efficient devices such as a clock, on view at the Musée d'Orsay, with a transparent face and crystal pillar base whose workings are invisible. He also devised automata which he used onstage, such as the artist-scribe which could write messages or make drawings on command.

"What is the population of Paris?" Louis-Philippe



Gustave Doré's view of one of Jean Eugène Robert-Houdin's "soirées fantastiques."

asked the scribe, which promptly replied, 998,964 inhabitants. "M. Robert-Houdin," said the king, "this figure does not accord with the census we are now taking."

"Sire," Robert-Houdin smoothly replied, "I hope that when the time comes my automaton will be sufficiently intelligent to make such corrections as might prove necessary." The king was silenced and P.T. Barnum later bought the scribe for a good sum.

In his memoirs he is frank about the use of pater and gesture to distract audiences and the importance of memory training to impress them. Scathing about dishonest rivals, he discloses some of his methods but none of his secrets. The wine bottle which is emptied in public view and then can supply any sort of liquor from whisky to curaçao to any number of people is not explained, nor is the event illustrated on the poster at St. James's Theatre in London: "Robert-Houdin's Son Suspended in Equilibrium by Atmospheric Air, through the Action of Concentrated Ether."

It takes Robert-Houdin more than 300 pages to get to his debut after an apprenticeship with a magician named Tomini, whom he suspected of fakery until he learned that Tomini was also a doctor and by birth a French count, Edmond de Grisy.

Magic, he realized, could provide a respectable and profitable career. He called his performances "Soirées Fantastiques," used a Louis XV decor, and while he carried an ebony

and ivory wand (on display at the Musée d'Orsay) it was a fine and elegant instrument, without the obvious spring device his rivals employed. He liked his hocus pocus to be pretty. Performing for Queen Victoria, he took a tiny royal glove, made it sprout into a huge bouquet, then put the bouquet in a vase where, after a "magical" watering, it became a garland spelling out VICTORIA.

Robert-Houdin's theater was a success from opening night in July 1845, but at the early age of 47 he sold it and retired to pursue his other interests. His clocks won prizes at international exhibitions and sold well. He invested profitably in railroad shares and spent the rest of his life, possibly the most pleasurable part, as an inventor. He produced instruments that revolutionized ophthalmology and, fascinated by electricity, made electric clocks, electric gates and fire alarms for his country estate, an odometer for vehicles, a wired shirtfront for scoring fencers' touches, a device for ships to sound the ocean's depths, and of course his electric light bulb.

His theater continued under successive managers, one of whom would have been a man after Robert-Houdin's heart, Georges Méliès. After beginning by displaying Robert-Houdin's automata, Méliès became fascinated by the cinema, inventing the special effects for which he is still remembered. Méliès himself considered his own form of illusionism a direct descendant of that practiced by Robert-Houdin: the cinema, he said in homage, was simply magic for modern times.

POSTCARD

Cuba Bids to Regain Place in Sun as Tourist Mecca

By Larry Rohter
New York Times Staff

HAVANA — There was a time not too long ago when travelers arriving here from the capitalist world typically were members of solidarity delegations coming to express support for the Cuban Revolution. As they disembarked, they would be greeted by political slogans and posters of Fidel Castro and Che Guevara.

Nowadays, the passengers being disgorged from the many flights that land here are more likely to be Canadian, European or Latin American tourists in search of sun, sand and surf.

Six years after the collapse of the Soviet bloc forced the Castro government to re-evaluate its economic model, Cuba is again emerging as a prime tourist spot in the Caribbean. Tourism is now the country's

second largest source of foreign exchange and, propelled by double-digit rates of annual growth, may soon pull even with the slumping sugar industry.

"The steady and sustained development of tourism is something that the Cuban government regards as being of the utmost importance," said Miguel Bruguera, deputy director of Cuba's National Tourism Institute.

Government officials report revenue of \$850 million from 616,000 foreign visitors in 1994 and anticipate that about 800,000 tourists will spend slightly more than \$1 billion this year.

In 1988, the last full year before the Soviet Union disintegrated, 309,000 people visited Cuba and spent just \$189 million.

Before Castro came to power in 1959, Cuba was the principal tourist destination

in the Caribbean, attracting 300,000 visitors a year, 80 percent of them Americans. But that influx was cut off by Washington's 34-year trade embargo against Cuba.

To accommodate an anticipated increase in visitors, the Cuban government has embarked on a major hotel construction and renovation drive. The bulk of the construction has been in Varadero, 125 miles (200 kilometers) east of here.

Along miles of glittering amber sands, Spanish, Mexican, French, German and other foreign chains operate hotels catering to European and Canadian travelers.

Cuba is also scheduled to re-enter the cruise business, from which it has been virtually absent for three decades. Under an agreement signed with the Italian company Costa Crociere, a 480-passenger cruise ship, the Costa Playa, will call at Cuban ports beginning in late November.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

Europe				Asia			
Today	High	Low	Temp	Today	High	Low	Temp
Algeria	21/23	14/17	W	Bangkok	28/30	20/23	W
Amsterdam	14/17	8/16	W	Beijing	21/23	10/18	W
Antwerp	14/17	8/16	W	Hong Kong	28/30	20/23	W
Athens	21/23	14/17	W	Kobe	21/23	10/18	W
Berlin	14/17	8/16	W	London	14/17	8/16	W
Bombay	28/30	20/23	W	Los Angeles	21/23	10/18	W
Buenos Aires	14/17	8/16	W	Manila	28/30	20/23	W
Calcutta	28/30	20/23	W	Medan	21/23	10/18	W
Cairo	21/23	14/17	W	Osaka	21/23	10/18	W
Canton	28/30	20/23	W	Seoul	21/23	10/18	W
Cebu	28/30	20/23	W	Singapore	28/30	20/23	W
Colon	28/30	20/23	W	Taipei	21/23	10/18	W
Copenhagen	14/17	8/16	W	Tokyo	21/23	10/18	W
Dallas	21/23	10/18	W				
Dhaka	28/30	20/23	W				
Edinburgh	14/17	8/16	W				
Hankow	28/30	20/23	W				
Hong Kong	28/30	20/23	W				
Kobe	21/23	10/18	W				
London	14/17	8/16	W				
Los Angeles	21/23	10/18	W				
Lyons	14/17	8/16	W				
Madrid	21/23	14/17	W				
Manila	28/30	20/23	W				
Moscow	14/17	8/16	W				
Mumbai	28/30	20/23	W				
Nice	21/23	10/18	W				
Osaka	21/23	10/18	W				
Paris	14/17	8/16	W				
Perth	21/23	10/18	W				
Peking	28/30	20/23	W				
Rangoon	28/30	20/23	W				
Rio de Janeiro	21/23	10/18	W				
Rome	21/23	10/18	W				
San Francisco	21/23	10/18	W				
Shanghai	28/30	20/23	W				
Singapore	28/30	20/23	W				
Stockholm	14/17	8/16	W				
Sydney	21/23	10/18	W				
Taipei	21/23	10/18	W				
Tokyo	21/23	10/18	W				
Yokohama	21/23	10/18	W				

Europe: The East Coast will be dry on Sunday and Monday, then showers may return on Tuesday. Dry weather is expected in Paris with above-normal temperatures. Spain, Portugal and Italy will have dry weather for the most part. Only air will have a cooling trend with a few showers.

Asia: Powerful Typhoon Ward is expected to recurve south of Japan and pass to the east. Tokyo will be breezy with perhaps a few showers. Showers will move through Seoul Sunday into Monday followed by dry northwest winds. Hong Kong will have a cooling trend with a few showers.

Legend: sunny, partly cloudy, cloudy, drizzle, showers, rain, snow, fog, ice, wind.

PEOPLE

IT was more than a fistful of dollars. A Los Angeles jury awarded Clint Eastwood \$150,000 in his case against the National Enquirer. The jury found that the tabloid had printed an "exclusive interview" with the movie star that never took place. Eastwood said his lawsuit was a way to crack down on tabloids simply making up articles. "It's important to stand up when there's no element of truth," he said, adding that he will give the money to charity.

Pierce Marshall, whose rich, 90-year-old father married the 26-year-old model Anna Nicole Smith, has filed a lawsuit in Houston accusing Smith's lawyers of slandering him. The Aug. 4 death of Howard Marshall set off a court fight by the widow to claim half of the income he earned during their 14-month marriage.

Pierce Marshall is demanding unspecified damages for harm to his reputation he says was inflicted by Smith's lawyers, Diana Marshall and Suzanne Kornblit. Kornblit was said to have characterized the younger Marshall as "greedy and miserly" and "a real control freak."

David V. Coyle, a flight instructor, is suing John Denver for a runway run-in at Jackson Hole Airport. He says the singer was piloting a Cessna 441 in 1994 when the airplane taxied into Coyle's Cessna. The propeller of Denver's plane slashed the side of the Cessna. Denver's insurance company paid for the damage but refused to cover Coyle's lost income during the six weeks it took to repair the aircraft. Coyle's attorney says.

At 92, Bob Hope still has what it takes. At a benefit for a military widows' home in Shalimar, Florida, he joked before 3,000 people along with Tony Bennett and Jane Russell. Hope was escorted to the stage and held onto the microphone for support. "We always thought Bob was the greatest, but I have more respect for him now," said an air force veteran, Howard Burgett. "Look at the man, the shape he's in, and he's still out entertaining the troops."

Brigitte Bardot has gone on the offensive again, this time in defense of Russian reindeer. In a strongly worded letter to



A 61ST CELEBRATION — The Empress Michiko of Japan, who turned 61 on Friday, strolled through the gardens of the Imperial Palace in Tokyo with Emperor Akihito.

President Boris N. Yeltsin, she called reindeer hunting in Russia "decadent barbarism." "By repulsively slaughtering these animals, allowing the last herds of reindeer fleeing the ice of the Great North to be exterminated, you show the world the portrait of a despicable country," the letter said. Yeltsin did not immediately respond.

Hildegard Hammerschmidt-Hummel, a professor of English literature at Mainz University, says she has proven that a death mask of Shakespeare was genuine, giving the world its first accurate portrait of the playwright and indicating he may have died of eye cancer. She said forensic tests on the 17th-century plaster of Paris mask in a castle south of Frankfurt matched it closely to portraits of the bard. "I feel marvelous, it's very exciting," she said.

The pianists Philippe Giusiano, 22, of France, and Alexei Sultman, 26, of Russia, were jointly awarded second prize in the 13th international Chopin competition in Warsaw. No first prize was given. Third place went to Gabriela Montero, 25, of the United States, fourth to Rem Urusin, 19, of Russia, fifth to Rika Miyatani, 24, of Japan, and sixth to Magdalena Lisak, 24, of Poland.

The former and now aspiring heavy-weight boxing champion, Mike Tyson, has bought a \$2.05 million mansion in Bethesda, Maryland, where he plans to live with his pregnant girlfriend, Monica Turner. Tyson will still have his principal residence at his \$3.7 million spread in Cleveland, where he must report regularly to his probation officer after serving a three-year sentence for rape.

The heavy metal band Def Leppard will attempt a world first on Monday: playing three concerts in three continents in one day. The group will play 45-minute sets in London, Tangier, Morocco, and Vancouver, Canada.

In 1960, 27-year-old Philip Roth won the National Book Award for his first book, "Goodbye, Columbus," beating out three literary lions: Saul Bellow, William Faulkner and Louis Auchincloss. Roth, now a literary lion himself, has just been nominated for the 1995 National Book Award for his 21st book, "Sabbath's Theater." His competitors include Edwidge Danticat, 26, a Haitian émigré from Brooklyn being honored for her first collection of short stories, "Krik? Krak!"; The historian David McCullough will receive the organization's annual Medal for Distinguished Contribution to American Letters.

Other fiction nominees are: "All Souls' Rising" by Madison Smartt Bell; "The House on the Lagoon" by Rosalind Wiseman; "Interference" by Stephen Dean; "Nonfiction: The Salvation on Sand Mountain: Snake Handling and Redemption in Southern Appalachia" by Dennis Covington; "Dorothy's Dangerous Ideas: Evolution and the Meaning of Life" by Daniel C. Dennett; "A Civil Action" by Jonathan Hill; "The Humiliated Lands: Facing Europe's Ghosts After Communism" by Tim Rosentzweig; "Ghosts of Mississippi: The Murder of Medgar Evers, the Trials of Byron De La Beebe and the Hunting of the New South" by Maryann Volpert; "Poetry: The Collected Poems, 1945-1970" by Barbara Howard; "In the Circle of Time: New and Collected Poems" by Josephine Jacobsen; "New and Selected Poems" by Donald Justice; "Forsaking: The Later Poems, New and Selected" by Stanley Kunitz; "New and Selected Poems" by Gary Soto.

Who could blame you for missing Buffalo?

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